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## SUMMARY

### BUSINESS

#### Recovery in gilts; equities off 2.5

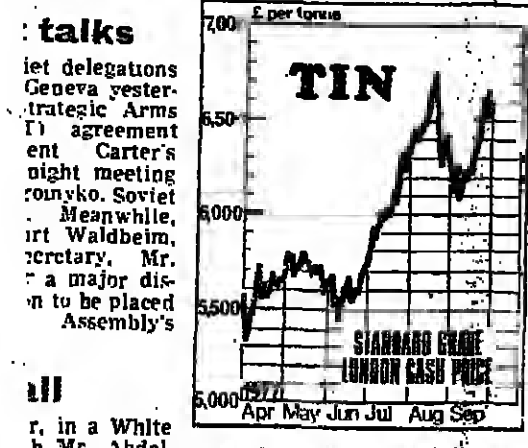
**GILTS** rallied after the previous day's setback, but then closed below the day's best. The FT Government Securities Index, which dropped 0.75 on Tuesday, recovered 0.48 to 78.36.

**EQUITIES** showed some uncertainty. The FT 30-Share Index closed 2.5 lower at 519.5. Banks gained ground.

**STERLING** gained ten points against the dollar to \$1.7445, but its trade-weighted index was unchanged at 62.4. Dollar's trade-weighted depreciation widened to 0.69 (0.66) per cent. Swiss franc advanced again after Tuesday's fall.

**GOLD** rose \$1.25 to \$153.875, the highest closing level for two years.

**TIN** prices rose sharply on the London Metal Exchange as



...a result of a shortage of supplies, with standard grades reaching \$150 in London. Page 33

**WALL STREET** was up 0.78 at \$36.63 near the close.

**THREAT** of a dock strike in the U.S. appears to be growing. The strike could paralyse container shipping services into East Coast and Gulf ports from mid-October to mid-November. Page 34

**WEST GERMAN** Finance Minister Herr Hans Apel said other West European countries could give a modest stimulus to their economies, preferably by cutting taxes to encourage investment. He noted that the U.K. is in good financial shape. Page 34

**DIVERS** quit over tax

**DIVING** contractors claim that about 250 North Sea divers have left the industry because the Inland Revenue has refused to classify them as self-employed for tax purposes. Their departure has lowered safety standards and is slowing the flow of oil, they claim. Page 34

**SHELL** will invest \$3.2bn. in oil and gas production, mostly in the North Sea and other parts of Europe, over the next five years. Page 18. From oil glut to drought. Page 22

**GOVERNMENT** financial aid to industry under regional aid schemes increased by up to 25 per cent during the last financial year. Page 10. Iron foundries so far have taken up £66m. of the £80m. available under a Government scheme to boost the industry. Page 13; Editorial comment, Page 22

**LLOYDS BANK** is proposing a profit-sharing scheme which, if approved by shareholders at a meeting on October 21, could distribute up to £6m. to the bank's 40,000 employees.

### COMPANIES

**TOOTAL** made first-half pre-tax profit of £8.84m. (£8.23m.). Page 25 and Lex

**BEJAM** lifted pre-tax profit to £4.8m. (£2.64m.) in the year to July 2. Page 24 and Lex

**SPINK AND SON**, coin and fine art dealer, is having talks on a possible merger. Page 26

### CHANGES YESTERDAY

252 otherwise	Ricardo	199 + 9
1034 + 1	Royal Insurance	454 + 12
2107 + 7	Secombe Marshall	258 + 20
270 + 10	Smith (D. S.)	99 + 4
124 + 8	Spink and Son	240 + 7
183 + 7	Stock Conversion	265 + 53
274 + 7	Viscose Development	239 + 6
121 + 5	Union Discount	56 + 7
122 + 10	Wibena (U.K.)	492 + 22
470 + 10	Barym	304 + 14
510 + 6	Hartbeest	561 + 6
322 + 10	Saint Piran	111 + 6
256 + 11	Dunbee-Combes	160 - 8
54 + 6	ERF (Hldgs.)	132 - 10
370 + 18	ICI	423 - 5
65 + 7	Lucas Inds.	313 - 9
253 + 13	Molins	99 - 4
287 + 7	RMC	200 - 6
	Vickers	200 - 6
	Pacific Copper Mines	150 - 15

## Liberals back pact in spite of doubts on European vote

BY RICHARD EVANS IN BRIGHTON

Mr. David Steel, the Liberal leader, was given overwhelming backing by his party assembly yesterday to continue his pact with the Government despite a widespread belief that the Liberals have not obtained enough benefit from Mr. James Callaghan for keeping his minority administration in office.

The effect of the vote of confidence in the pact is that Mr. Callaghan appears safe from Parliamentary defeat in the coming session unless Liberal MPs are forced to break their agreement either because of the Government's failure to curb inflation or because of a Labour revolt in direct elections to the European Parliament.

The decision, taken on a show of hands, will be as much a relief to Mr. Callaghan as to Mr. Steel. The Prime Minister will now be able to come in Brighton to his own party conference next week in the knowledge that he will probably be able to hold the next General Election at a time of his own choosing.

Mr. Steel's triumph was qualified by the immediate resignation of Mr. Cyril Smith, the arch opponent of the pact, as the party's employment spokesman on the grounds that he was no longer prepared to work with Ministers.

All the remaining Liberal MPs supported the continuation of the pact, although with varying degrees of enthusiasm. Ample warning was given by the rank and file, however, that the Parliamentary party will have to be much tougher in their bargaining with Ministers.

A constantly recurring theme in a constructive and good-tempered debate was that more should be obtained for Liberal

### Confidence

To the relief of the party leadership this was defeated through with a substantial majority vote, by 716 to 385. The resolution that was finally accepted declared support for the continuation of the pact on the terms agreed, and stressed the continuing independence of the Liberal Party.

The case for the pact, put forward by Mr. John Paine, was that the Liberals had changed a had Government into a "half good" one.

## Low-paid council workers set to claim 30% rises

BY CHRISTIAN TYLER

THE FIRST rumblings of militant low-paid public sector workers came yesterday when the TUC reminded the Government that it held no brief for the 10 per cent earnings limit and criticised Ministers' sanctions and threats against companies.

Shop stewards from six public service unions in Birmingham have combined for the first time to put pressure on national negotiators for the autumn wage round.

They have called a meeting of representatives of the city's 40,000 council, health and water workers for next month to press a demand for rises of 30 per cent, and more, and to discuss industrial action which they said yesterday could reduce Birmingham to a state of siege.

Meanwhile the Road Haulage Association were called in to the Department of Transport last night in a bid by the Government to atop a 15 per cent wage deal in the West Midlands that could spread across the country.

Mr. William Rodgers, Transport Secretary, made no overt threat to take action against companies that broke the pay guideline, but the possibility of sanctions was raised at the hour-long meeting.

To-day Ulster union leaders are to ask Mr. Roy Mason, Northern Ireland Secretary, to relax this guideline for the Province's workers because, they

### Climate

This said that it was not the general council's intention "to give general or specific guidance on the level of pay settlements in the next round."

The essential point is the creation of a climate in which responsible bargaining can take place. The general council do not believe that sanctions and threats are the way to achieve this. What is much more relevant is the effect on prices, employment and economic expansion.

To this end, TUC leaders expect an early meeting with Mr. Denis Healey, Chancellor of the Exchequer, on his return from

## Lord Carver invited to Salisbury

BY TONY HAWKINS

MR. IAN SMITH to-day invited Lord Carver, the British Resident Commissioner designate for Rhodesia, and a special UN representative, when appointed, to come to Salisbury to discuss military aspects of the Anglo-American settlement proposals. But a Government spokesman here stressed that the invitation did not imply Rhodesian acceptance of the proposals.

The invitation came as Britain prepared to present to the UN Security Council this afternoon a draft resolution requesting the appointment by Dr. Kurt Waldheim, the UN Secretary General, of a special representative for Rhodesia, who would join Lord Carver in preliminary talks on a ceasefire in the Rhodesian guerrilla war.

The Rhodesian spokesman made it clear that Lord Carver and the UN special representative were being invited to Salisbury to discuss paragraph 11(C) of the British Government White Paper spelling out the settlement proposals.

This paragraph foresees the establishment by Security Council resolution of a UN peace-keeping force for Rhodesia whose functions might include the supervision of a ceasefire.

support for the civil power and liaison with the existing Rhodesian armed forces and the forces of the "liberation armies."

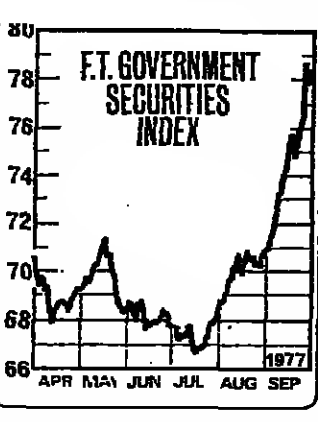
It also covers the appointment of a special UN representative to discuss with Lord Carver the respective roles of all the forces in Rhodesia "during the transition to independence."

Rhodesian sources emphasised that although the primary purpose of the discussions between Mr. Smith and Lord Carver would be the arrangement of a ceasefire, and the implications for the armed forces during the transition, this did not mean that the talks would necessarily be restricted to those topics.

The sources said that Mr. Smith was still awaiting a reply from Dr. David Owen, the Foreign Secretary, to his detailed questions, sent a fortnight or more ago, on aspects of the settlement plan.

The decision to invite Lord Carver and the UN representative is seen in Salisbury as an initiative on Rhodesia's part to reach an agreement on the basis of the Anglo-American terms.

The hope is that when Lord Carver arrives and sees the situation for himself, he will urge the British Government to re-



## Interest rate fall halted

BY MICHAEL BLANDEN

THE BANK of England yesterday interposed in the money markets to prevent any further significant fall in the level of short-term interest rates.

The official action was stronger than the signals given by the Bank in recent weeks when it indicated that it only wanted the downward trend to be moderated.

This time, it was made clear that the authorities felt that the fall in short rates, with minimum lending rate already down to 6 per cent, had gone far enough.

The Bank's tactics towards the gilt-edged market, however, have been taken as showing a willingness to see drop in rates at the long end of the market.

The gilt-edged market was encouraged by the absence of any announcement of a new tax stock issue last Friday, prompting further sharp rises in prices.

## Concern

Yesterday the official signal brought a rise in the market, with long-dated stocks coming back from their best levels.

After showing rises of up to 11 points, they ended with gains of up to 1, and with short stocks also improving, the Financial Times Government Securities Index rose 0.48 to 78.56.

The Bank's move was thought to be prompted by concern that, though rates have not been moving down much so far this week, a technical demand for Treasury bills maturing at the beginning of next year could produce a cut in MLR to-morrow.

The strength of the gilt-edged market is reported to have been sustained partly by overseas buying, attracted by high rates and the strong pound.

Yesterday, sterling remained firm, with the Bank again taking in foreign currency and holding the rate down. The pound rose 10 points to \$1.7445, with its trade-weighted index unchanged at 62.4.

## Lynch given talks pledge on Ulster

BY GILES MERRITT

THE GOVERNMENT is to re-open its search for a power-sharing constitutional settlement in Northern Ireland. Following yesterday's London summit meeting between Mr. James Callaghan and Mr. Jack Lynch, the new Irish Prime Minister, a fresh round of inter-party talks on administrative devolution is to be launched in the province.

The renewal of political negotiations is understood to have been prompted by Irish Government demands for an end to Britain's policies of "drift."

Mr. Lynch has been openly concerned that Ulster's political vacuum is leading to a breakdown of Unionist and Catholic positions and he clearly urged yesterday's meeting to urge Mr. Callaghan to float a new initiative.

But it was also clear last night that Mr. Lynch, who was accompanied by Mr. Michael O'Kennedy, the Foreign Affairs Minister, adopted a conciliatory attitude in his dealings with Mr. Callaghan and Mr. Roy Mason, the Northern Ireland Secretary.

During the 5½-hour meeting he did not raise the question of British withdrawal from Ulster and refrained, too, from discussing all-Ireland courts for dealing with terrorism.

## Anxious

On October, 1975, Mr. Lynch's Fianna Fail Party issued a controversial policy statement calling on Britain to declare an intent to withdraw from Northern Ireland at some future date. The statement also mentioned UN or European intervention.

Earlier this month the SDLP confirmed that it was dropping its support for power-sharing.

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# English painting since 1952

WILLIAM PACKER

Academy has kept William Scott, who has actually painted this Jubilee gone so far as to become an w the latest and Associate, and Ivon Hitchens, to of its celebra- kitchen-law: minimalists and opened, a compre- and abstract expressionists key, English artists and systematists, figure a period of the Burlington House painters from the Slade and dings of all kinds, landscape painters from Camber- well, and of course, this being under two hundred Academy, the painter need to many of us wicked bunch of nettles to pick at all, let alone put in a vase and no-one, even the great charitable, ever id be more than a And yet, to general m being that, it is timely success. I have been having he lately, torn by ring, and beset by the outside the baffles into a blind ore people than it il should be the hich was never us in calling to f modernism, that n itself the rôle of un the art world, without, is one of tings to have hap- e time. In the same room, with one eye we may see William Turnbull's large, simple, red colour field; with the other Euan Uglow's large, analytical, prize-winning nude.

The most mischievous of the juxtapositions makes that point neatly. There is in one gallery an abrupt transition from figure to still-life painting to minimal abstraction—in the pole green corner, with a splendid portrait of Lord Attlee, representing the Slade tradition at its best. Lawrence Gowing, in the black corner, with a fine and mysterious new work, Alan Green. In the same room, with one eye we may see William Turnbull's large, simple, red colour field; with the other Euan Uglow's large, analytical, prize-winning nude.

These paintings (and the same is true again and again throughout the show) are admirable in themselves, and invite and sustain close attention, but also, because of the circumstances in which they hang, they invite direct comparison. This is the question they put: accepting for the moment that these paintings are indeed good, albeit manifestly different in kind and intention, what are the qualities they share, that they should live so happily together? There, still in its shell, we have that goodly chestnut, the Englishness of English Art.

We have always been inclined to undervalue our native virtues.



'Titania, Queen of Faerie' by Peter Blake, 1977

thus modesty was always our strong point. But with the visual arts, for some curious reason, we really mean what we say. Hodgkin, Davie, and Kenneth Martin, for example, would be honoured anywhere but here, where they are all but unknown outside the art world. When it comes to figurative painting we leave the rest standing, though I doubt that here even Francis Bacon is too well known. We have, in short, a very good team, and we should be prouder of it than we are.

The recent Harvard controversy was ill-judged and misleading (informed criticism centred more on the politics of selection than on the work shown). All the painters who took part are included in this show, for the most part quite rightly; and set into a wider context perhaps they will receive fairer treatment from the public, at least from those members of it that take the trouble to look.

The show continues until November 20.

## Record Review

# Wolf Songs

by MAX LOPPERT

Wolf Lieder. Volume 3. Dietrich Fischer-Dieskau/Daniel Barenboim. DG 2740 182 (three records). £11.55

Berlioz Les Nuits d'été. La Mort de Cléopâtre. Yvonne Minton, Stuart Burrows/BBC Symphony Orchestra / Pierre Boulez. CBS 76574. £37

Danzon, Mozart, Puccini, Verdi Arias. Ileana Cotrubas/New Philharmonia Orchestra/John Pritchard. CBS 76521. £37.99

## Book Reviews are on Page 31

style, made themselves felt during listening sessions—which were above all filled with pleasure, and the certainty that the value of these records is longlasting.

Sometimes, while listening to a Wolf song delivered by singers dull to the poetic intricacies and marvels of his verse-settings and blank to the (at best) insupportable lyric beauty of his vocal lines, or to pianists who smooth and pat down the teeming inner significance of his piano parts into mere "accompaniment," I wonder whether Ernest Newman would be so generous to the composer in putting him "with no hesitation... at the head of the songwriters of the world." To start here, as I did, with the sixth and last side of the set — with "Morgenstimmung" and the Byron and Michelangelo songs — permits no possible danger of under-estimating the singer and pianist are here at their individual and corporate best, and the genius of the late Wolf—naked, soul-procking, lit by shafts of unearthly radiance—is for all to witness.

soft legato combine to reveal the many levels on which the song operates. The intonations in singing in Wolf's original tonalness and space, the distinction between extremes of sensation (sleeplessness in a sleeping world; immediate pallor and instant brightness; light devoid of warmth) as experienced by an acute, suffering consciousness: such a world the performers understand, and depict, with instant beauty and perceptiveness. The final, terrifying "Michelangelo's sonnets," teetering precariously between painful reality and an infinitely more painful inner darkness, are rendered with like sensitivity—a noble achievement.

These songs are masterpieces, which also maintain the voice at predictably low dynamic levels, and permit a baritone to sing in Wolf's original tonalness. In the Eichendorff songs, where the less strident jostle with the marvellous, and especially in the early songs, mostly enthusiastic but as yet untrifled collections of romantic influences, the style of singing (and the fact that most songs must be lowered from their original high keys) can include or musical flow and balance. Percussive consonants, explosions of tone that at their fiercest take on a flinty, hectoring aspect, vehement underlining of significant words, the tone of the Reinick Fischer-Dieskau mannerisms, which we have learned to live with for the sake of rewards and illuminations. But too often something less than first-rate, something that needs intimate glances or a quiet carcer, suffers by being as we trumpeted from the hatterfield. At such points Barenboim, always a chameleon performer, will thump out chords with like vehemence, banishing home his points (and the tone) in a manner not usually associated with his fastidiously groomed playing.

At times, too, a curious want of keenness and wit is felt in the accompaniments to comic, sardonic or roaring songs. "Seemans Abschied" is the example; the Reinick "Gesellenlied" (Barenboim shies away from the Meistersinger quote accentuated in the bass line) another: "Lieben, wo bist du" without deftness in movement to and from a whizzing tempo primo, a third. But then one remembers the successes, when pianist touches of the atmosphere from first har, when singer is at his subtlest and most shining-eyed—"Der Sealar" and "Das Ständchen" two of the finest Eichendorff songs, tenderly and teasingly the adorable, youthful "Frühlingsschloeken" full of frank, boyish charm. With all its flaws, this is a set to explore and re-explore.

The six songs of Les Nuits d'été, each one with its special vocal registration and character, are encompassed with difficulty by a single performer, yet a singer with the acumen and the American, British, Netherlands, Swedish, and Swiss Nutrition Foundations' Award that can still bring them off rewardingly. Sharing out the cycle is to a solution apparently closer to Beethoven's intention. The Colin Davis recording, with soprano, mezzo, tenor and bass, was The British, American, and

flawed by uneven singing. Now adventure of the early Berlin Boulez divides the songs between cantata with greater impress of mezzo and tenor, and the expert drama; but again, Minton is too much again spoiled by unsmooth, too comfortable.

The interpretative quick strike On record at least, Yvonne Minton fails to prove herself a other composers will rejoice in natural Berliozian. Her manner is repeatedly and magically in of moving from note to note evidence on the first Cotrubas lacks the cleanliness of focus, the recital of operatic airs. Norina precision of outline (and, in a gently smiling "So anch'm "Le Spectre de la rose," in a virtuosic magical reminds us that pitch) to pinpoint the fine individuality of timbre, accent, musculature of the lines. In and inflexion need entail no



Dietrich Fischer-Dieskau and Daniel Barenboim

"L'île inconcue," the tone is sacrifice of limpid or shapely plush, out limber, out quick-linc. Pamina, Susanna, Gilde and Mimì move us with the regular pathos embedded in the sweetness of Miss Cotrubas' timbre. Constanze ("Ach, ich liebe"), and Leonora ("Pace, pace") find her slightly over-acted. The sum of the record is a previous display of jewelled artistry, exuberantly set off by Belcher conductor, and the New Philharmonia. A disc of French airs, undertakes the wild imaginative

## Nutrition Foundations' Award Book for 1977

Food: The Gift of Ostris, by Swedish Nutrition Foundations initiated a "Nutrition Foundations" Selection in 1974 to designate for the non-specialist reader works that are responsibly based upon scientific authority, as well as interestingly and informatively written. Food: The Gift of Ostris is the second title to receive the Nutrition Foundations' Award.

## Upstairs

### iff

beach in Australia. Rosemary sits in a He hispers," he says, such of the occult, hears is nothing than two more school, who bring y into focus. It is cool, and they hung last term before gh school. mers are self-ugh. They go in and football and ing. Springle, who ard, is the tougher tekurn, physical below his mate, o he led. Naturally nk much of a boy's life sitting in a

g is passed in 12- s well remembered. Bille Brown, an avingingly as poss is not totally con- the three young yn Chance, Raphael ohn Mangan. As children, there is a nation of loyalties, so high that either of en at such matters which he watches on television. Eaving shows, his knowl- ge the less intelli- wo toughies, is the t over to Rosebury's

## Bing Crosby

y has done it again. rec of '76 he filled n with a series of rformances which ant with personal back with that yecy the only difference perhaps, marginally

se packed the stage e-sons, daughter, their hits with vary- of embarrassment— away with it. Now sed the family who plays nt so much better (perhaps he should appies), and wife

entertainment s on Page 20

s quite easy to take, is a more sophisti- g venue, but this was imitate another good evening.



Jeremy Chance, John Mangan and Raphael West

side: Blackburn proves hardly to be tough at all, and is twice euded to tears. But he has enough personality to keep him- self from instant persuasion.

In the end they are all huddles, and Rosebury is floating in the sea on a turtle-shell offstage, an immense step forward in his life. Eaving shows, his knowl- ge the less intelli- wo toughies, is the t over to Rosebury's

of material and her powerful ing of Rogers' for a long a warm-up- joyed the experience of milking an audience which had been put in a good mood by Crosby. The Joe Bushkin quartet played the subdued jazz that Bing, and his fans, obviously feel very comfortable with. So it was a very nice even- ing. Bing Crosby seemed to enjoy it as much as the audience and it is hard to imagine anyone not warming to the decency of it all.

Elkie Brooks may not have quite as much experience as Bing Crosby but she has had to wait too many years for recognition: the British "prejudice" again: its sigel singers dies hard. Still with her successful Albert Hall concert on Monday Elkie Brooks can put aside the years of being on the brink. Her versatility may be a problem, and her sophistication really favours a more intimate venue, but this was imitate another good evening.

## Leave of absence for Young Vic's Frank Dunlop

Frank Dunlop, who founded the Young Vic in 1970 and has been its director ever since, has been committed to a satorium for writing a book about Pontius Pilate and Christ. On the stage as in the novel, Bulgakov frequently interrupted by brief glances at the story of the crucifixion, a subject that gets a serious treatment not found elsewhere in *The Master and Margarita*. Meanwhile, the Devil and his cheerful friends wreak havoc in Moscow literary circles, take full advantage of the corruption to find a flat in spite of the housing shortage, and do magical tricks in a music hall in order to expose greed, weakness

do that the friendships will be as fleeting as any in the Forest of Arden; but we are left with a bit of a sentimental feeling of something having been achieved.

It has taken rather long in the achievement, though. The dialogue has the quality of having been overheard by a tape-recorder, and the constant to and fro of relationships, accurate no doubt, is hardly dramatic.

Mr. Brown is clearly observant and articulate, but 12-year-olds are not articulate for the duration of their wit. I liked one warm, sentimental exchange, though. "Did you never play cowboys and Indians?" Springe asks. "Yes," Rosebury says, "I was the covered wagon."

Diavole Gigliotta is the director, and the designer is Jim Clay.

B. A. YOUNG

Both as a novel and a play, *The Master and Margarita* is well calculated to irritate Soviet authority. Set in Moscow in the 1920s, it is the account of a mischievous visit by the Devil and four companions who meet the few decent people they find in the city. The novel is a satirical study of Soviet life, frequently interrupted by brief glances at the story of the crucifixion, a subject that gets a serious treatment not found elsewhere in *The Master and Margarita*. Meanwhile, the Devil and his cheerful friends wreak havoc in Moscow literary circles, take full advantage of the corruption to find a flat in spite of the housing shortage, and do magical tricks in a music hall in order to expose greed, weakness

for foreign fashions, and other But they free the Master from his sanatorium and reunite him with his mistress Margarita, who has won the Devil's favour by presiding over his annual ball. Lyubimov has crammed nearly all of Bulgakov's vast panorama into four hours on the stage.

He has also been true to his reputation as a social critic, reminding his audience that once the Soviet Union was a land in which one might have indulged in greed, corruption, shortages, and privilege; a land in which dissenters were committed to mental institutions. It is not for him to say if present reality resembles past history, such strange and exotic characters as Christ and the Devil. What is equally important he has, as usual, put on a stunning show that no Moscow theatre can equal. Giving life to Bulgakov's fantasy, he has added a little showmanship of his own: the diabolical variety performers shoot flames at will, and another character seems to eat a white mouse.

As in his previous productions, he has required a central symbol; this time it is an enormous clock, with a corollary enormous pendulum, on which some of his characters are obliged to ride. But there are limits to the virtuosity even of Lyubimov's special effects. The two headings in the book (one permanent, the other temporary) look exactly like stage head-erucifixion, and while a fierce-looking dog has been provided to be Pilate's pet, the cigar-smoking cat who is one of the Devil's entourage is clearly no more than a man in a cat suit. Even so, everything that matters in *The Master and Margarita* is real, even if the cat is not.

HENRY POPKIN

## Moscow Theatre The Master and Margarita

*The Master and Margarita*, adapted by Yuri Lyubimov from Mikhail Bulgakov's posthumously published novel, and directed by him at his Taganka Theatre, continues to be the sensation of the Moscow stage. An editorial attack on the play in Pravda caused a nude (who had, any way, been seated and facing away from the audience) to be covered, but it did not at all discourage the crowds that throng to the Taganka whenever the play turns up in the repertoire, asking solitary playgoers if they have any extra tickets to sell.

Pravda's attack (and the official disapproval that it reflects) may have had one practical effect upon the fortunes of *The Master and Margarita*: it is not among the five plays that the Taganka will bring to Paris in November, although at one time the Parisienne hosts had insisted on this play as a stive quon non of any visit.



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EUROPEAN NEWS

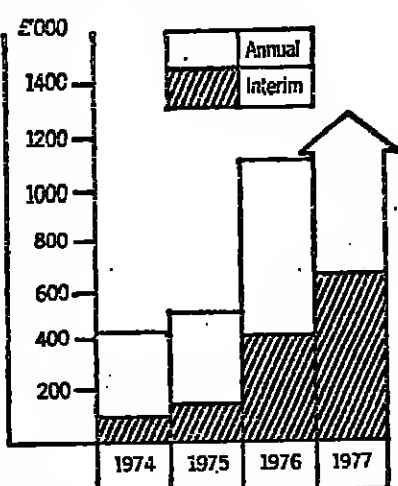
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Profit before tax	£661,000 up 61%
Turnover	£8,105,000 up 47%
Exports	£1.8m up 71%
Earnings per share	5.80p
Interim Dividend	1.50p net up 55%
Total forecast dividend for 1977	3.69p net

PROFIT BEFORE TAXATION

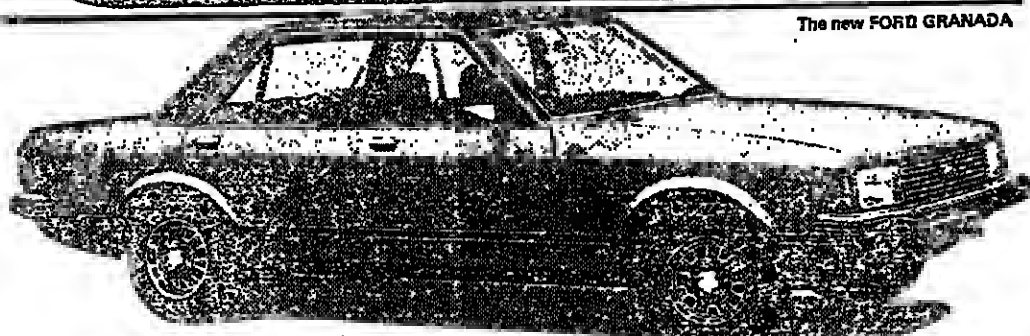


- \*consistent growth with major customers in UK and abroad
- \*plans well advanced to increase capacity for Marks & Spencer
- \*actively concerned to expand knitted outerwear division
- \*annual results to show another satisfactory increase in profit
- \*well set to make further progress in the future

Awarded to Albert Martin Knitwear Ltd. 1977

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HAROLD PERRY MOTORS LIMITED

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INTERIM RESULTS 1977

	6 months to 30.6.77	6 months to 30.6.76	12 months to 1976
GROUP SALES	£5,228,665	£27,861,798	£51,640,907
PROFIT BEFORE TAX	£1,491,203	£24,646	£1,577,670
INTERIM DIVIDEND	111,051	99,362	218,506
EARNINGS PER SHARE	15.4p	8.6p	16.3p

- \* 81% Increase in half year profits
- \* Strong demand for virtually all models
- \* Our trading prospects seem bright

GO PERRYS

Copies of the full Interim Report can be obtained from The Secretary, 279 Ballards Lane, London N12 8NS

Bonn seeks curbs in terrorist cases

By Adrian Dicks

BONN, Sept. 28.

THE WEST German Parliament, eager to be seen taking action against the terrorist menace, is expected to push through virtually without debate an emergency Bill preventing the abuse of defence lawyers' visiting rights, so that it can come into effect this week-end.

The Bill will allow the authorities to forbid, for a period of 30 days (which can be extended), all contact with the outside world or with one another for people suspected or convicted of murder, kidnapping or membership of a terrorist band. In order to invoke this power, it will be necessary for the authorities only to state that a danger to life exists.

Defence lawyers with more than a purely professional measure of sympathy for terrorist clients have long been under heavy suspicion of running messages between terrorists in prison and those outside. However, it has been difficult to prove these suspicions, even with the help of secret wire-tapping by the police of defence lawyers' conversations with the hard-core terrorists held at the Stammheim Prison near Stuttgart.

Convincing circumstantial evidence, so far as the public and the politicians are concerned, came however, with the obviously concerted ending by several dozen imprisoned terrorists of a hunger strike at the end of August. A few days later, Dr. Hanns Martin Schleyer was kidnapped in Cologne, and the release of 11 of the hunger strikers was demanded in exchange for his release. The strong interference which defence lawyers had concerted a termination of the hunger strike so that the prisoners would be fit for an eventual flight to freedom.

As part of its strategy of delay and unbroken silence in the Schleyer kidnapping, the Bonn "crisis staff" has imposed a temporary ban on the lawyers' visits to clients and on other contacts with the outside world. Its right to do so has been upheld by an appeals court after several lower courts had lifted bans on individual terrorists, apparently because they held the authorities to be exceeding their powers in suspending a fundamental right of any person accused of a crime.

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SIG. STAMMATI'S WASHINGTON MISSION  
A plea to loosen a tight course with

BY DOMINICK J. COYLE IN ROME

GAETANO STAMMATI, the technocrat-turned-Senator who is Italy's Treasury Minister, would dearly love to be in Denis Healey's shoes right now. Imagine getting simultaneously from the International Monetary Fund its seal of approval for good national housekeeping and its support for early measures of controlled reflation. Sig. Stammati, like the British Chancellor of the Exchequer, is in a predicament this week for the fund meeting, but his task has been to persuade the IMF that Italy is indeed living up to the undertakings given in the Letter of Intent earlier this year at the time of a further Italian drawing from the fund, coupled with a plea to loosen the controlling corset ever so slightly.

Unlike Mr. Healey, the Italian Treasury Minister cannot point with confidence to the fact that the public sector borrowing requirement and domestic credit expansion are running well within the ceilings for 1977-78, but the story is by no means all gloom. When the Prime Minister, Sig. Giulio Andreotti, presides over a Cabinet meeting to-day to finalise the budget for next year, Ministers will be looking at a vastly improved economic scene than many thought possible just 12 months ago.

A few statistics tell an impressive story, and they September according here. Last month's newly installed minority Christian Democrat Government launched a series of fiscal measures and administrative measures in a desperate attempt to stabilise the lira on foreign exchange markets and to give Italy some credibility in its negotiations with the IMF for a new standby credit, albeit for a fairly meagre \$530m.

Inflation then was running at an annual 22 per cent, and the lira had effectively been devalued (against the dollar) by more than 25 per cent over the preceding nine months.

The available reserves of the Bank of Italy were dropping alarmingly, and the trade unions showed no inclination to talk seriously with the Government on urgent anti-inflationary steps, most particularly to agree to some modification in the established pattern of wage indexation in an effort to break the cost-push inflationary cycle. Consumer demand was still running high.

Now the picture has changed greatly, at least in the short term. Since mid-January the lira has fluctuated within a fairly narrow band against the dollar (850-900), the cost-of-living index in August was a mere 0.7 per cent, up on July, the balance of payments on current account

moved into surplus in June and August (admittedly there were seasonal factors at play), the reserves now stand at more than \$7bn, against \$2.5bn at one point last year—and Italy has repaid on schedule some of its outstanding debts both to the IMF and the West German Bundesbank.

The unions have accepted a preliminary indication, some Italian industrialists claim it has already arrived—are now coming through. Official figures for July show a drop in overall industrial production of close on 8 per cent over the same month the previous year, the first decline in more than 18 months. There was one less working day in July this year than in July last year.

based on input data for industry in August, suggest that even when official output figures come through, they will confirm a downward trend. None the less, industrial output in the first seven months of this year was approaching a level higher than in the January-July period of 1976, and one minus sign in a sea of pluses has rung a lot of alarm bells.

This is hardly surprising given the extent of its potentially explosive social implications here. Notationally at least, jobless statistics have jumped sharply from 3.9 per cent last October to 7 per cent to-day. However, not too many people in Italy believe official data and it is widely supposed that one in ten of the workforce of 21.4m is out of work.

There has, in fact, been some rise in unemployment over the past year, but the scale of the increase has been nothing of the magnitude suggested in these official figures. What in fact has happened is that the survey questionnaire has been revised, throwing up an additional 1.2m, while the number of jobless and those seeking work has all but doubled to 1.5m.

Action against unemployment now has high priority, second only to the continuing battle to bring inflation close to the European average, if only to maintain

the relative competitiveness of Italian exports. And to a great extent this is often apparent from their public statements. Government's declared aim of bringing inflation down to a maximum of 13 per cent by March 1978 is supported both by the opposition parties, including the communists who are now seen to be wavering slightly, and the leadership of three trade union confederations.

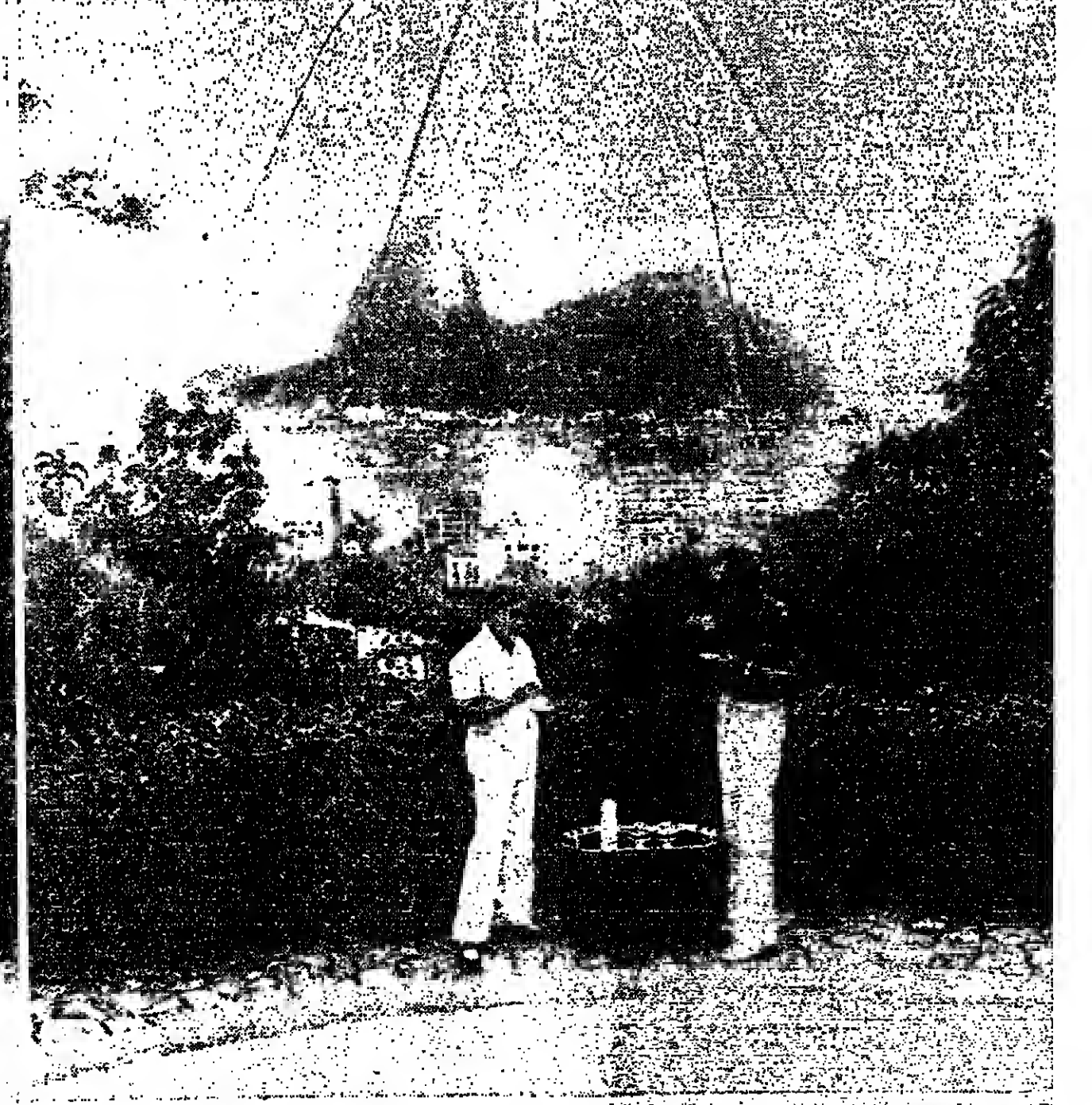
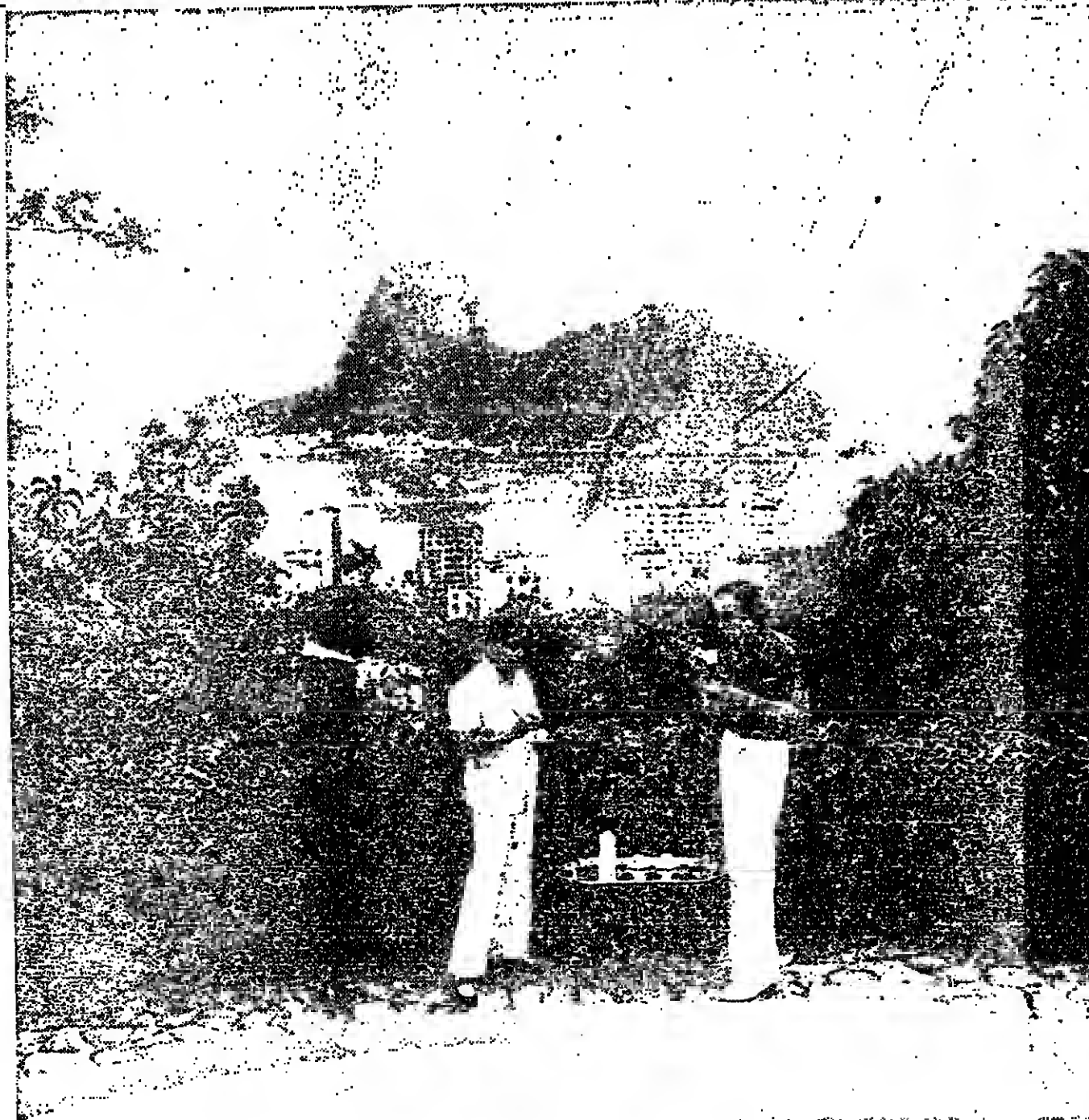
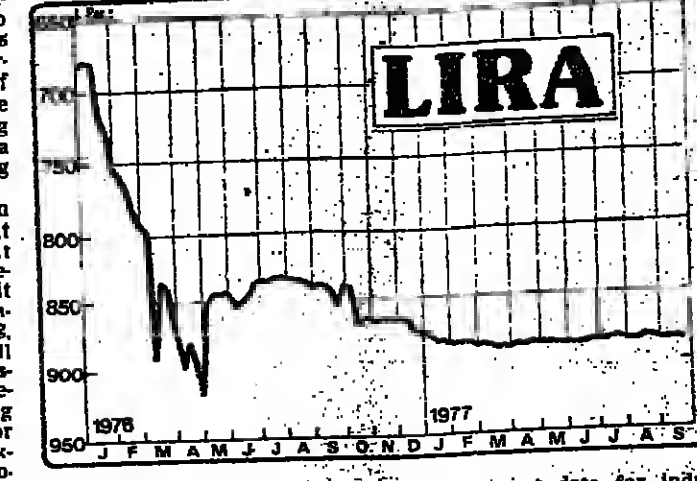
That is a good sign, and both sides of industry might seem to be wavering slightly, but determination in the face of revealed unemployment and signs that a recession is on the way.

Yet Italy to-day is in a position to reverse its present term policies or to spend out of the developing reserves to do so without incurring the anti-inflationary but immediately more important consequences of the Andreatti Government's plan for a 1978 growth of roughly 3 per cent, at the maximum possible of next year, according to Sig. Paolo Baffi, Governor of the Bank of Italy.

In view of the rigid labour costs, it is not surprising that the passage of the anti-inflationary bill immediately more important consequences of the Andreatti Government's plan for a 1978 growth of roughly 3 per cent, at the maximum possible of next year, according to Sig. Paolo Baffi, Governor of the Bank of Italy.

The evidence is that echoes these sentiments. Sig. Stammati has won a final concession from which is now agreed to amend one provision of the Italian letter of intent will result in the Calvi questionaire has been revised, throwing up an additional 1.2m, while the number of jobless and those seeking work has all but doubled to 1.5m.

Action against unemployment now has high priority, second only to the continuing battle to bring inflation close to the European average, if only to maintain



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مكاتب الصحف

# Mitterrand ready for new talks with Communists

MAUTHNER

PARIS, Sept. 28.

Communist leader Mitterrand today said he had no intention of changing his course after last week's negotiations with Communist partners on government proposals at any time.

He said that the Communist Party was ready to accept the terms of the agreement, but that the Socialist Party was not ready to do so.

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# Danish oil group in row over new field

By Our Own Correspondent

COPENHAGEN, Sept. 28.

DANISH Underground Consortium, the A. P. Moller-led oil consortium for oil development in Denmark's sector of the North Sea, has refused to begin extraction operations in a new offshore field owing to conditions set by the Government in a development permit.

The consortium gave the go-ahead yesterday to DUC to open up the country's second field, the Ruth Field, on the condition that any natural gas produced should be processed in the structure and not burnt off as DUC currently does at its only existing production field, Dan Field.

The consortium also asked for a slow initial rate of oil extraction to lengthen the life of the field.

# CENTRAL BANK CHIEF CRITICISED

# Kreisky denies devaluation rumours

BY PAUL LENDVAY

VIENNA, Sept. 28.

AUSTRIA WILL not devalue the schilling in the foreseeable future, the Federal Chancellor, Dr. Bruno Kreisky told the Financial Times today.

His denial follows rumours reported today in the mass-circulation Vienna daily newspaper Kurier, that the currency, hitherto one of the "hardest" in Europe, would be devalued by 8 per cent after next Sunday's important provincial elections. The rumours were dismissed by Dr. Kreisky as purely politically motivated propaganda.

The Chancellor also criticised the retroactive introduction of the projected higher rate of VAT on cars.

EUROPEAN Monetary Union, for suggesting the retroactive introduction of the projected higher rate of VAT on cars.

The public warnings and measures proposed by Dr. Kreisky, who is also an officer of the Socialist Trade Union Federation, are regarded in Government circles as one of the main reasons for the recent flurry of speculation about the schilling.

Meanwhile, the Deutschemark continued to rise against the schilling today with the medium rate for DM100 reaching Sch.714.35 against Sch.12 five days ago, and an average of Sch.710.32 in August. Since July last year the schilling has been primarily linked to that of the Deutschemark.

# U.S. agree on Belgrade

IN CARR

BONN, Sept. 28

emerged from an article on the Belgrade conference by Herr Guenther van Well, State Secretary at the Foreign Ministry, in the latest issue of the magazine Europa Archiv.

Last year, Herr van Well caused a stir by publishing an article on what he held to be the Soviet chicanery over Berlin. The publication was considered by some to be ill-timed, since the Soviet leader, Mr. Leonid Brezhnev, was then expected to visit Bonn. Mr. Brezhnev has still not made his visit.

The Bonn Government has now proposed a date about the end of November. No Soviet answer has yet been received but one is hoped for soon.

Herr van Well notes a growing tendency for discussion between states of themes which, once could not be raised without accusations of meddling in internal affairs. Human rights fell into this category. It was covered in principle, seven of the final act of the Helsinki CSCE two years ago and the raising of it in Belgrade was

therefore legitimate, he wrote.

In this connection, West Germany would pay particular attention to topics including reinforcement of families and gradual removal of restrictions on travel, and on marriage between citizens of eastern and western states.

It would further seek an improved flow of information. Herr van Well said, noting that opportunities to buy western newspapers in eastern European states were still far from satisfactory. Bonn would press for better working conditions for western journalists in the east and specifically raise those cases in which German correspondents had been penalised for critical reports.

In the military sector, Herr van Well urged greater resort to the Warsaw Pact states to those confidence-building measures foreseen in the Helsinki final act and be called for improved economic data from the east—essential if West German companies were to plan properly their export business there.

# Spanish cabinet minister quits

BY DIANA SMITH

MADRID, Sept. 28.

SR. IGNACIO CAMUNAS, Minister for Relations Parliamentary submitted his resignation last night. It was accepted by Sr. Adolfo Suarez, the Prime Minister.

This is the first ministerial resignation since Sr. Suarez formed his new cabinet after the June 15 general election. Before the poll, Sr. Camunas, the leader

# Pressure on Lynch over terror laws

Financial Times Reporter

FRESH PRESSURE is expected to be applied to Mr. Jack Lynch, Prime Minister of Ireland, to repeal some of the republic's anti-terrorist legislation after an Amnesty International submission on maltreatment of suspects.

The submission to the Irish Government, published yesterday, says investigators found "consistent and substantiated allegations of maltreatment" relating to a number of arrests between October, 1973, and May this year.

Maltreatment was alleged to have consisted mainly of beatings, with several cases of deprivation of sleep, food and drink.

It appeared that the extension of the period of detention from two days in seven days before a charge is necessary had contributed directly to the claimed maltreatment.

This extension of the two-day period was one of the principal provisions of the Emergency Powers Act introduced by the Cosgrave Government shortly before it fell in the general election last June.

# MPs will be permitted to suggest budget cuts

BY OUR OWN CORRESPONDENT

MADRID, Sept. 28.

THE CONGRESSIONAL Rules Committee of Spain's Parliament agreed yesterday to introduce provisions in the rules now being drawn up that will allow Parliament to suggest alterations to budgets of individual Ministries.

This means that when the 1978 State budget is put before Parliament for debate next month, MPs may suggest cuts in allocations to one Ministry or increased allocations for another, as long as the total State budget figure is not altered.

The new ruling marks a further development in the participation of Parliament in the affairs of state. Another provision stipulates that if the Government, during the fiscal year, should submit a Bill asking for increased budget expenditure of more than 10 per cent of the total figure, the proposal must be approved by the absolute majority of members of the

Parliamentary budget committee. Right-wing members of the Parliamentary Committee for the Economy and Treasury, which met yesterday to discuss the Government's tax-reform proposals, accused the Government of trying to intimidate businessmen. The unpopularity of tax measures which will particularly affect wealthier Spaniards, has caused considerable argument in Government circles recently, but economic Ministers are determined to override their colleagues' objections and push the reforms through.

Meanwhile, there is satisfaction in Madrid today at the LMP's positive response to Spain's efforts to control inflation and modernise her tax system. Improved foreign and gold reserves standing at \$5,377m. after devaluation have reversed the alarming drain that occurred during the first half of this year.

# Swiss to hold summer referendum

A national referendum is to be held in Switzerland on the question of whether the Government should introduce a summer time. John Wicks reports from Zurich.



Professional craftsmen don't forget their skills when they get home. They keep on using the power tools they prefer - Bosch Power Tools. Here's one reason why - Bosch "All insulation".

of power tools during their working lives. We are proud that most prefer power tools by Bosch. And if Bosch power tools are good enough for the professionals, they're good enough for the home handyman and do-it-yourself enthusiast, too.

Before 1929, safe insulation of electric tools was hardly known. Then Bosch improved the situation, by introducing the first insulated hand held power tool - an electric hair clipper with a Bakelite housing.

Nowadays, the entire range of Bosch drills and impact drills for the home handyman has special insulation - called "All-insulation" - and this "All-insulation" distinguishes Bosch power tools from all the rest.

"All-insulation" gives total protection. Even if you accidentally drill through a live wire, you receive no shock at all. That's when "All-insulation" can save your life.

Bosch have housings made entirely from polyamide reinforced with glass-fibre. It's as tough as metal. But because of its high heat resistance, you are well protected from the operating heat that the motor and gears generate. Even after long periods of use.

"All-insulation" was just one of many Bosch innovations in power-tool manufacture and development.

In 1935 Bosch introduced the first rotary hammer suitable for mass-production. Nowadays, in Germany "Bosch Hammer" is the name by which this equipment is generally known.

Bosch were also the first to equip angle-grinders with electronic speed-control. This automatically ensures constant optimum speeds, whatever the load.

Today, Bosch power tools are at work in every branch of industry. For example, practically every car manufacturer throughout Europe relies on them.

There's more to Bosch than you think:

Your car engine almost certainly has some Bosch parts; and it may well be tested by Bosch equipment at its next service.

Many of the goods people buy in their supermarkets have been packed with machines produced by Bosch. These provisions may be stored in a Bosch refrigerator or freezer in a Bosch kitchen.

Television viewers will have seen the Olympic Games through Bosch eyes, as many of the sporting events were televised by Bosch Fernseh cameras. News and entertainment in cars can be received with Blaupunkt auto sound systems.

Bathrooms and kitchens are equipped with Bosch fittings and built-in units. Bosch design and supply installations for assembly lines and production plants. Machine tools use Bosch numerical controls. Deep-cooled blood stored in many European hospital blood-banks is restored to body temperature with Bosch medical equipment.

Bosch employs 5,700 people in research and development alone. Bosch have at present 10,000 patents throughout the world, with 15,000 pending.

Bosch UK: Robert Bosch Limited, Watford, Hertfordshire

Most Power Tool users prefer Bosch Professional craftsmen and men in industry try out many different makes





AMERICAN NEWS

U.S.-SOVIET ARMS NEGOTIATIONS

The differences have narrowed: Mondale

BY DAVID BELL

WASHINGTON, Sept. 28.

THE U.S. and the Soviet Union have "narrowed their differences" on a new strategic arms agreement (SALT) after last night's unexpected meeting between President Carter and Mr. Andrei Gromyko, the Soviet Foreign Minister, Vice-President Walter Mondale said today.

Mr. Mondale, who was present at last night's 14-hour meeting, would not comment further, and the U.S. Administration continued to be notably reticent this morning about the negotiations. However, last night Mr. Jody Powell, the President's Press Secretary, said that the "progress clearly does apply" to the issue of the U.S. Cruise missile and Soviet land-launched intercontinental missiles.

This comment increased speculation here that the two sides may be close to a compromise on the twin issues of the Cruise and the Soviet long-range, land-launched missiles, notably the SS-18. Some sources suggested that the Russians may have agreed to curtail further deployment of some of these missiles and to restrict the range of their

Backfire bomber in return for a U.S. commitment to restrict the Cruise. Earlier this month, in a major speech, Dr. Harold Brown, the U.S. Defence Secretary, dwelt at length on the Administration's concern about the Soviet intercontinental missile programme. He particularly noted that the Russians are continuing

to deploy "between 100 and 150" of their fourth generation of intercontinental missiles. He said that they were "almost uniformly first class in terms of their accuracy and payload." Dr. Brown, who was also present at last night's meeting, then warned that a fifth generation of Soviet long-range missiles was on the drawing board. "All of us must recognise that the Soviets have under way a large number of large, impressive and costly strategic programmes to strengthen their offensive capabilities, their active defences and their passive defence system."

Russian call for nuclear-free zones

BY DAVID SATTER

MOSCOW, Sept. 28.

THE SOVIET UNION today asked that a major UN disarmament resolution calling for the withdrawal of ships carrying nuclear weapons from the world's oceans, the creation of nuclear-free zones and an early conclusion of the strategic arms limitation talks (SALT) be put on the agenda of the current session in New York of the world organisation's General Assembly.

Gromyko asked that the resolution which is aimed at "deepening detente" and "preventing the risk of nuclear war," be included as "an important and urgent question." The resolution, which was reported by the Soviet news agency Tass, outlines a broad disarmament programme and urges that all states work to exclude situations which could give rise to military conflict and consequent nuclear confrontation. It calls specifically for the

removal of ships carrying nuclear weapons from "certain areas" of world oceans and "other possible measures to limit the arms race there." It also calls for an early conclusion to SALT II and the renunciation on a reciprocal and identical basis of the development of new, even more destructive systems of such weapons.

The resolution urges all states which have not done so to accede to treaties on the prohibition of nuclear weapons tests in the three environments, the non-proliferation of nuclear weapons and the non-placement of nuclear weapons on the sea bed and in outer space. It also calls for the creation by non-nuclear weapon states of zones completely free from nuclear weapons, which may include both entire continents or large geographical areas and groups of states or individual states and which would be respected by the nuclear states.

Removal of gas price controls blocked

By Our Own Correspondent WASHINGTON, Sept. 28.

THE U.S. SENATE was still involved in a fierce debate about future natural gas prices this morning after sitting all night for the first time in 13 years. A group of liberal senators, who oppose attempts to remove controls from natural gas prices, has been introducing one by one more than 500 amendments to a Bill passed last week by the Senate which would lift price controls. This measure is not a filibuster, but it has had the same effect and shows no signs of coming to an early end.

Sen. Robert Byrd, the Senate Democratic majority leader, described the situation as an on-again and off-again battle to be fought in the Senate to enable exhausted legislators to snatch some sleep between votes. He said that, unless a compromise could be reached on gas prices, "the whole energy plan would be imperilled." He vowed to keep the Senate in session until Christmas, if necessary.

Vice-President Walter Mondale said this morning that the Administration is not encouraging the liberal senators in their delaying tactics and wants a vote on de-regulation as soon as possible. He said that he was still "hopeful" energy package would emerge "intact" from the Senate where it has come under fire on various fronts.

Sen. Howard Metzenbaum of Ohio and Sen. James Abourezk of South Dakota are arguing that the dropping of natural gas price controls would cost U.S. consumers many billions of dollars in higher prices, and would not increase gas production. The Carter administration broadly agrees, although it favours continuing regulation at a higher price.

The two senators aim to continue their delaying tactics long enough to "bring public opinion around to our point of view," Sen. Metzenbaum said last night. They are opposed by conservatives and oil state legislators, led by Sen. Lloyd Bentsen of Texas, who argue that only by dropping controls will the administration encourage the search for much needed new supplies.

Several compromises have so far failed, including one which would have postponed the ending of de-regulation for two years and another which would support higher prices, set a ceiling but avoid formal regulation. Administration officials were still trying this morning to find a way out of the impasse.

Regional banks set the pace

NEW YORK, Sept. 28

REGIONAL BANKS—having less than \$500 million in assets—have in many cases been outperforming the S and P 500 and big-bank stock price indices over the past several years, it is suggested by Standard and Poor's Corporation, Renter reports.

The investment advisory service attributes this to above-average operating records, consistent dividend increases, and favourable near-term earnings prospects.

S and P, in its latest publication "The Outlook," says that a large portion of these regional banks, including Arizona Bank, Michigan National Corporation, and Southwest Bancshares, have been doing somewhat better than the industry leaders in increasing loan business. It says that perhaps the main reason for this is that the smaller banks rely less on large corporate borrowers, which, in many cases, have been meeting much of their needs via internally generated funds and the commercial paper market.

At the same time, S and P points out that a number of the regional banks are located in the rapidly growing sunbelt regions of the U.S. and other areas where economic growth is outpacing the national average.

S and P says that demand for consumer and real estate loans which account for a relatively large part of the regional banks' loan portfolios, is expected to remain strong in 1978, although the rate of gain may ease next year as a result of the projected slowdown in overall economic growth.

The rise in short-term interest rates also is viewed as a positive factor for the banks. "Rising interest rates are most welcomed by the smaller regional banks which have greater proportions of demand deposits and savings to rate-sensitive purchased funds than do the large money centre banks," S and P says.

**Liberian ship loan**  
The Export Credits Guarantee Department has guaranteed a \$2m loan which Wiggins and Gyff's Bank has made available to Myral Shipping Corporation of Liberia to help finance a contract awarded to Austin and Pickershill for the delivery of a 15,025 tons dead weight SD14 cargo vessel.

Voluntary restraints planned for Antarctic krill catches

BY PAUL CHEESBROUGH

MOST OF the powers attending the Antarctic Treaty meeting in London have agreed to set up an international convention to conserve the southern ocean's ecosystems. The drift of current talks is a response to pressures which have been building up internationally for exploitation of the oceans south of 45 degrees south.

The Food and Agriculture Organization and the UN Development Programme have been considering steps for the harvesting of krill. P.A.C. representatives yesterday talked privately with Antarctic Treaty member states.

The Treaty powers are anxious to avoid any conflict of jurisdiction over the southern oceans, both among themselves and with the U.S. and the USSR, who are all original signatories of the Treaty, and Poland, the newest member.

The convention would provide a means whereby the krill can be conserved by voluntary restraints. Although the initiative comes from the Treaty powers, it is hoped that countries like West Germany, who are already active in the area, may be induced to sign.

Such a conclusion removes some of the pressure from the Treaty powers political and economic discussions on the topic, which could be bedevilled by disputes about territorial sovereignty.

Shackleton speaks out for Falkland Islanders

BY HUGH O'SHAUGHNESSY

THE FALKLAND ISLANDERS should be kept fully informed of progress in the forthcoming round of talks between Britain and Argentina on the future of the remote colony in the South-West Atlantic, Lord Shackleton, former Labour minister and author of the report on the territory published last year, said yesterday.

"No one can deny that the vast majority of the Islanders want to remain British," he said at a lecture delivered yesterday at the Royal United Services Institute.

He was strongly backed by Admiral of the Fleet Sir Peter Hill-Norton, former Chief of the Defence Staff. "The wish should be kept fully informed of progress in the forthcoming round of talks between Britain and Argentina on the future of the remote colony in the South-West Atlantic, Lord Shackleton, former Labour minister and author of the report on the territory published last year, said yesterday.

THE U.S. AND CUBA

Tourism to be keystone of improved relations

BY ARTHUR SANDLES

PLANS FOR tourism to be the first area of expansion of the improving relationship between the U.S. and Cuba appear to be in prospect much more quickly than most observers expected. This is in spite of threats from Cuban exile groups to stop the traffic, with bombs if necessary. Within the next few months Air Cubans will be offering package tours out of Washington to America on a weekly basis and a large American tour operator is also planning weekly package tours out of New York.

China fears for Sihanouk

BY YVONNE PRESTON

PRIME MINISTER Pol Pot of Cambodia begins an official visit to China today at the head of a delegation of Government and Communist Party members. The Peking Peoples Daily welcomed the Kampuchean commander in an editorial praising democratic Kampuchea as "brilliant example" to the people of Asia in defeating imperialism and its lackeys.

SPECIAL REPORT ON COLOMBIA

As President Alfonso López Michelsen's administration enters its fourth and final year, Colombia's economy is in a very different state from when he came to power. The sky-high world coffee prices of the last two years have transformed the economic emergency of 1974 into today's surfeit of dollars. This exclusive twelve-page survey, prepared in Colombia by a team of independent experts for subscribers to LATIN AMERICAN NEWSLETTERS, looks at the impact of the coffee boom on government policy, in such fields as banking, taxation, foreign investment and imports. There are also special studies of key areas such as manufacturing, agriculture, energy and, of course, the coffee industry itself.

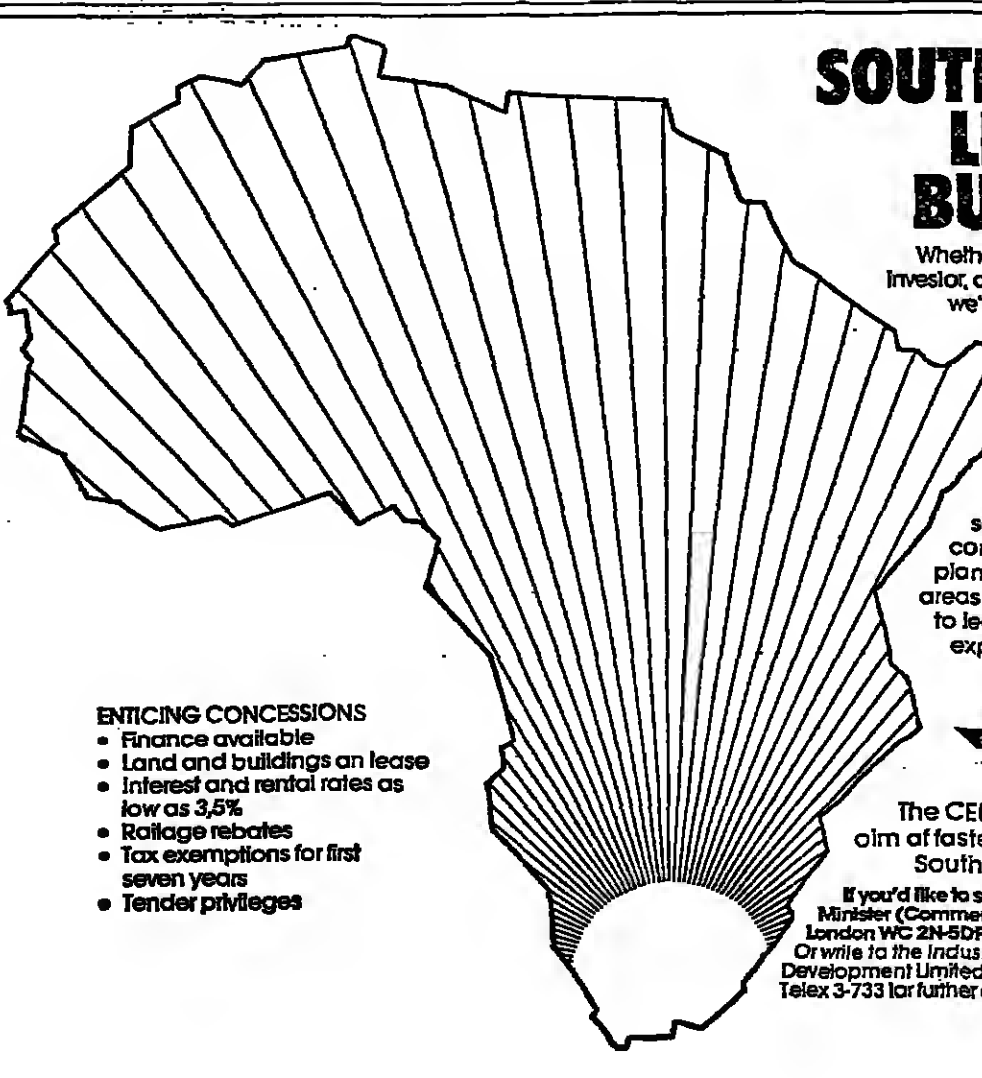
Because of its exceptional interest, we have decided to make this Special Report available to a limited number of non-subscribers, at £5.50 each, with reductions for bulk orders.

Please send me a copy of your SPECIAL REPORT ON COLOMBIA. I enclose a cheque for £5.50. To Latin American Newsletters Ltd., Dept. 30, Greenhill House, 90-93 Coppercoot Street, London EC2M 6BL, England. Name: Address: N.B. Make cheques payable to Latin American Newsletters.

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SOUTH AFRICA: LET'S TALK BUSINESS.

Whether you're an innovator or an investor, an entrepreneur or financier - we'd like to tell you how to share in the profit potential of the development areas of South Africa. Our representatives will be available in London in October to discuss the wide scope for industrial investment with you. They're eager to tell you why such an investment makes good business sense - starting with a host of enticing concessions and including assistance with strategy planning and financing. Our development areas have the raw materials, the labour willing to learn, the market. All they need is your expertise to make it happen.



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U.S. ire

# Somalis take vital pass in the battle for Ogaden

BY JAMES BUXTON

VIV. Sept. 28. Months of taking Government has compromise poli-

domestic and as a result of some came last small groups of

U.S. ire

ETHIOPIA FACES a far graver situation in the Ogaden war than was previously believed, following a visit to the Somali front line by Western correspondents.

The correspondents travelled as far as west as Hadu, 13 miles from Jijiga. One of them, Reuter correspondent Peter Sharrock, said he was told that the front line had now reached the Ethiopian city of Harar.

## S. Lebanon remains quiet

By Ihsan Hijazi

BEIRUT, Sept. 28. EFFORTS were continuing here to stabilise the cease-fire in Southern Lebanon and ensure a durable peace for the region.

## admits religious occurring in Egypt

TINGAY

CAIRO, Sept. 28.

Public admission of strife between Islam and Moslems, Mr. Sadat today said, is a "ground conspiracy and local forces to undermine the Egyptian State."

## ment offer to India

N CORRESPONDENT NEW DELHI, Sept. 28.

From a European source, it is reported that Mr. Fernandes, the Portuguese Minister for Industry and Commerce, has declined to name the Indian Chamber of Commerce and the areas of potential investment.

strategists as the main defence of Harar, the walled city which is the headquarters of the Ethiopian army's third division.

The correspondents travelled as far as west as Hadu, 13 miles from Jijiga.

Mr. Richard Parker, the U.S. Ambassador to Lebanon, was flying to Washington today to give his Government a progress report and to hold consultations on the next step.

rearguard point we were allowed to visit. Reporters were not allowed to go beyond Hadu.

Some of the Ethiopian vehicles in Jijiga looked as if they had not been used during the battle.

The return to Sudan of the controversial politician is likely to signal the start of considerable political in-fighting.

## Nimairi welcomes returned exile leader

By Alan Darby

KEARTOUM, Sept. 28.

PRESIDENT Jaafar Nimairi of Sudan today embraced on his return Mr. Sadiq el Mahdi, the man sentenced to death in absentia just 12 months ago for leading a coup attempt.

Mr. Sadiq el Mahdi, a former Sudanese Prime Minister and leader of the Right-wing Ansar Sect, as well as chief of the National Front, the umbrella organisation for themain Right-wing opposition parties.

Leading southern politicians, representing the region against which government of Mr. Sadiq el Mahdi waged a civil war, are uneasy about his return to Sudan.

## Japan Socialists divided over choice of alliances

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Sept. 28.

THE BIGGEST opposition party here, the Japan Socialist Party (JSP) was facing a grave crisis in- night following the failure of its congress to appoint a new leadership, and the decision of three prominent members of a right-wing faction to quit the party.

The JSP troubles stem from a split between Marxist-Leninists and social democrats, which has become acute because of the decline of the ruling Liberal Democratic party (LDP).

Mr. Ichio Asukata, who is believed to lean towards the Marxist wing of the JSP, although he has friends elsewhere in the party, hesitated for 36 hours before announcing today that he was not interested in the job on any terms.

form of words was agreed by the main party factions which meant, on paper, that the Shakaishugi Kyokai would be reduced from an activist pressure group to an academic study group.

The existing party leadership then resigned (on Monday) and negotiations started on the choice of successors who would be acceptable to both sides.

Meanwhile, the right-wing factions of the JSP took strong exception to the back-room discussion of the leadership problem, and to the failure to get one of their number nominated either for the party chairmanship or for the general secretaryship.

Nagarenokei (New Current Association a right-wing party faction).

It appears possible that the JSP secessionists of this week may join the SCL. But, even their number and prominence, such action would be more in the nature of a take-over.

The most noticeable development in Japanese politics during the past 18 months has been the emergence and strengthening of various groups in the Centre, which appear to be eroding the power of mainstream parties on the Right and Left.

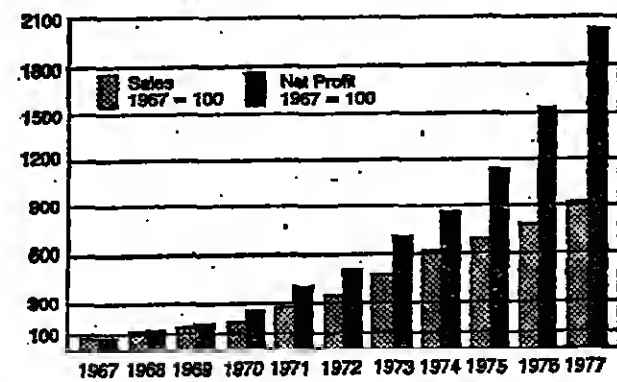
# ANI's tenth record year in succession

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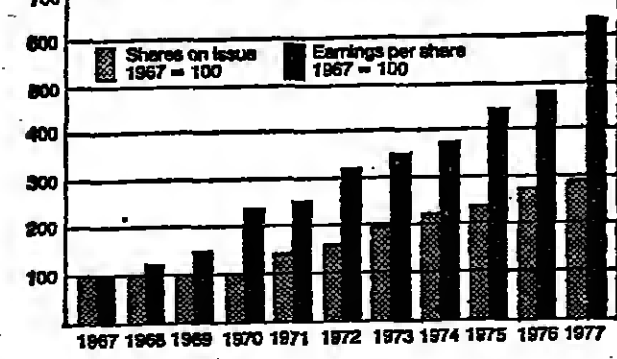
For the 10th successive year Australian National Industries Limited has reported record sales, profits, earnings per share and dividends. Earnings per share have grown at a compound rate of over 20% per annum for the past decade.

This is an exceptional performance by Australian standards, and is matched only by a very small number of the major listed corporations in the USA, Japan, and Europe.

This is how ANI's sales and profits have grown between 1967 and 1977:



Earnings per share follow a similar pattern:



Since 1967 the figures speak for themselves:

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- Equipment Hire. ANI owns Coates Hire Service, Australia's biggest plant and equipment hire business and operates over 40 hire centres around the nation. Product Merchandising. The ANI Perkins Division sells petrol and diesel engines, roadmaking and construction equipment, gas turbines, materials handling equipment and many other electrical and mechanical engineering products and services. Brickmaking. ANI has entered this field through the purchase of Highland Bricks, Cooma, NSW. International Operations. ANI's largest international operation is the substantial forging business conducted by ANI Philippines Forge Inc. Investments. This division manages the Company's substantial holdings in Australia's largest manufacturer of railway rolling stock, Australia's largest steel foundry group, a finance company and a merchant bank. Motor Vehicle Distribution. ANI is finalising the acquisition of Capitol Motors Limited, Australia's largest distributor of Nissan, Datsun and BMW vehicles.

The future: All indications point towards ANI maintaining its present high level of growth in the coming years. Such world class performance will be of continued benefit to shareholders, employees and all Australians.

If you would like further information about ANI write to P.O. Box 105, Lidcombe, N.S.W., Australia 2141.

Australian National Industries Limited and The prime movers



Table with 2 columns: Title and Page/Reference. Includes 'International Company News', 'Loans to Morocco', 'Queensland Building Society', 'Crash', 'Farming and Raw Materials', 'World wheat talks start', 'Australia hits at Japan over beef'.



WORLD TRADE NEWS

Japan car makers take on recession-hit workers

BY YOKO SHIBATA

TOKYO, Sept. 28

IN STARK contrast to almost the whole of Japanese industry, motor manufacturers are facing a labour shortage thanks to continuing success of exports and consequent upward revisions of production schedules.

The shortage is being met by the issue of "invitations" to overstuffed and recession-ridden industries such as shipbuilding, textiles and heavy machinery to transfer part of their surplus labour force. Since the major Japanese companies are bound by contract or custom to employ workers for life, transfers represent novel innovation in Japanese employment practices.

Examples of labour transfers to the motor industry include Daihatsu Motor a specialist in small cars within the Toyota group which has already accepted 200 workers from Hitachi Shipbuilding and Engineering company, 65 workers from the textile company, Unilka, and 50 workers from Sumitomo Metal Industries (the number three Japanese integrated steelmaker). Daihatsu plans to ask for more Unilka workers by the end of September.

Mitsubishi Motor Corporation has so far accepted 620 workers from Mitsubishi Heavy Industries (MHI). It is due to recruit another 825 workers from MHI's shipbuilding division. Isuzu Motors, which was facing a financial squeeze as recently

as two years ago, is now recovering fast thanks to brisk exports of trucks. The company expects record current profits of ¥14.9bn for the current fiscal year and plans to resume dividend payments which were suspended in October 1976.

To keep up with demand, Isuzu has upgraded its production target by 6,000 vehicles to 176,000 vehicles for the six months ending in October. To meet the target, Isuzu needs to recruit an additional 300 workers during the next two months. The company needs another 400 workers to cope with expected production increases during the six months starting November.

Isuzu's announcement has produced an eager response from steelmakers and from heavy industry. So far 30 workers from Kawasaki Heavy Industries, 30 from Nippon Kokan (the number two steelmaker) and 100 from Sumitomo Metal Industries have agreed to join Isuzu. Transfers of this kind occurred on a very limited scale during the recession years of 1974-75 but the present level of inter-industry movement is much greater than before. In both cases hanks involved with the parties have acted as intermediaries.

An exception to the general rule of labour scarcity in the motor industry is the number three car maker Toyo Kogyo which recently announced plans to temporarily lay off 10,000 workers for six days, owing to a fall in domestic sales. Toyo Kogyo has also decided to transfer 5,000 workers from its Hiroshima headquarters to related departments throughout Japan. Toyo Kogyo reduced its production goal for the six months ending in October to 395,000 units from 400,000 units. This reflects a shortfall in domestic sales, although exports have been doing well.

The U.S. Concern Midland-Ross Corporation said it received an exclusive licence from Nippon Kokan K.K. of Tokyo, to manufacture the furnace equipment for processing high-strength steel. AP-DJ reports from Cleveland. The process produces a steel that can be used for stamping light automotive parts without adding alloys, the company said. The licence allows Midland-Ross to market the equipment and process in the U.S. and Common Market countries.

Finnish deal

The Finnish Velmet company will build a giant newsprint-making machine for Holland's Van Gelder Courantier firm at a cost of £10m. Reuter reports from Helsinki. The machine will be able to produce 150,000 tons of paper annually, meeting some 30 per cent. of Dutch needs.



Financial Times gave a luncheon yesterday for the Japanese Business Community in Europe at the Mansion House in London. Mr. Tadeo Kato, the Japanese Ambassador, was entertained (left to right) by Mr. M. H. Fisher, Financial Times editor, Sir Robin Gillett, Lord Mayor of London and Mr. A. V. Hare, Financial Times chief executive and managing director.

Renault move in Austria

BY PAUL LENDVAI

VIENNA, Sept. 28

RENAULT, the French motor company, is planning to erect a production plant in the West Austrian province of Styria. According to reports, the French company will make use of the buildings of a bicycle factory which, with a production staff of 1,000, stopped operations two years ago.

For the time being, Renault is planning to turn out car components. Initial production staff is expected to be about 300. But it is not excluded that at a later stage the venture could become a proper assembly plant.

The interest in setting up a production subsidiary in Austria is ascribed to the labour peace prevailing here, and the vicinity of the East European markets. No contracts have yet been signed, but officials of the provincial government, who are eager to attract foreign capital, expressed optimism about the outcome of the talks.

It is understood that talks are also going on with German and Japanese motor companies concerning plants in Austria.

SKF call on dumping

PARIS, Sept. 28

M. RAYMOND CASTEL, head of SKF-France, said today he called on the French Government to take unilateral action against Japanese dumping of ball bearings, because the measures adopted by the European Community were ineffective. SKF-France has said previously that such dumping may force the company to close one of its French plants.

M. Castel said Japanese manufacturers had not complied with the EEC request to raise export prices. AP-DJ

Finance snag clouds Brazilian steel plant

TOKYO, Sept. 28

JAPAN will probably be unwilling to provide an additional \$500-600m. in loans. No. 101, a multi-billion-dollar change the 51 per cent. Brazilian steel plant project, as share held by Brazil has requested by Brazilian officials visiting Tokyo this week, sources say.

The original proposal from the Japanese government ministries was to provide an additional \$500-600m. in loans. No. 101, a multi-billion-dollar change the 51 per cent. Brazilian steel plant project, as share held by Brazil has requested by Brazilian officials visiting Tokyo this week, sources say.

prospects for the big Tubarao steel plant, a venture with Japanese, Italian and Brazilian partners, appear to depend heavily on whether Brazil continues to accept basic changes in its industrialisation project signed last March.

The issue threatens to become a delicate diplomatic problem between the two countries. Gov. Ernest Geisel last September to support the Tubarao project. Private bankers speculate that expansion to requested contract changes by annually. Start of Brazil may be used as an excuse to get out of its pro-schedule.

Kawasaki Steel officials in Japan headed by Kawasaki Steel president, however, they still expect the project to be completed by early 1980, but admit there are problems in financing on which talks with the Brazilian side. According to Government International Trade sources, the current row began when Sidertrac, overseer of the Brazilian steel industry, passed a proposal for a joint venture with Kawasaki Steel, claiming a shortage of its own capital for the Tubarao plant, asked that Kawasaki Steel, representing 14 Japanese partners, accept a 33.3 per cent. share of the joint venture.

The other 24.5 per cent. per. Finisider, the Italian steel holding company, would be requested to boost its contribution by a like amount. The joint venture, Campoghia-Siderurgica Tubarao (CST), is to be capitalised at \$580m., which would mean a \$31m. increase in capital for Kawasaki and its partners.

Swiss machine builder check business decline

BY JOHN WICKS

ZURICH

THE SWISS machine-building industry expects a continuation of the current period of stability without any marked improvement in the general level of profitability. This was stated at a Press conference in Zurich of the Swiss Association of Machinery Manufacturers.

In the first half of 1977, turnover of 200-member companies totalled Sw.Frs. 61,380m. This means, according to the director, Dr. Martin Erb, that first-half sales have risen by only 3 per cent. over the past three years, but that no expansion in real terms actually took place.

New orders received worth Sw.Frs. 6,420m. in January, June, 1977, were 9.3 per cent. above the value for the first half of 1976 and 8.1 per cent. up on that for the same period of the preceding year. This brought the value of orders on hand at mid-year to Sw.Frs. 12,570m. While this was slightly higher than the Sw.Frs. 12,570m. There could be no hooking a year earlier, it was still well down on the Sw.Frs. 13,400m. orders total for mid-1975. Dr. Erb said the decline in Swiss machine-building activity

Greek power plant

BY OUR OWN CORRESPONDENT

ATHENS

THE PUBLIC Power Corporation, Greece, where new electricity company, will hold an international tender early next year for the purchase and installation of two new lignite-fired power plants of a total capacity of 250 megawatts. The Minister of Industry, Mr. Constantinos Karamanolis said the power plants, one of 150 megawatts and the other of 200 megawatts, will be installed in the area of Amintean, Northern Greece.

Pakistan textile study

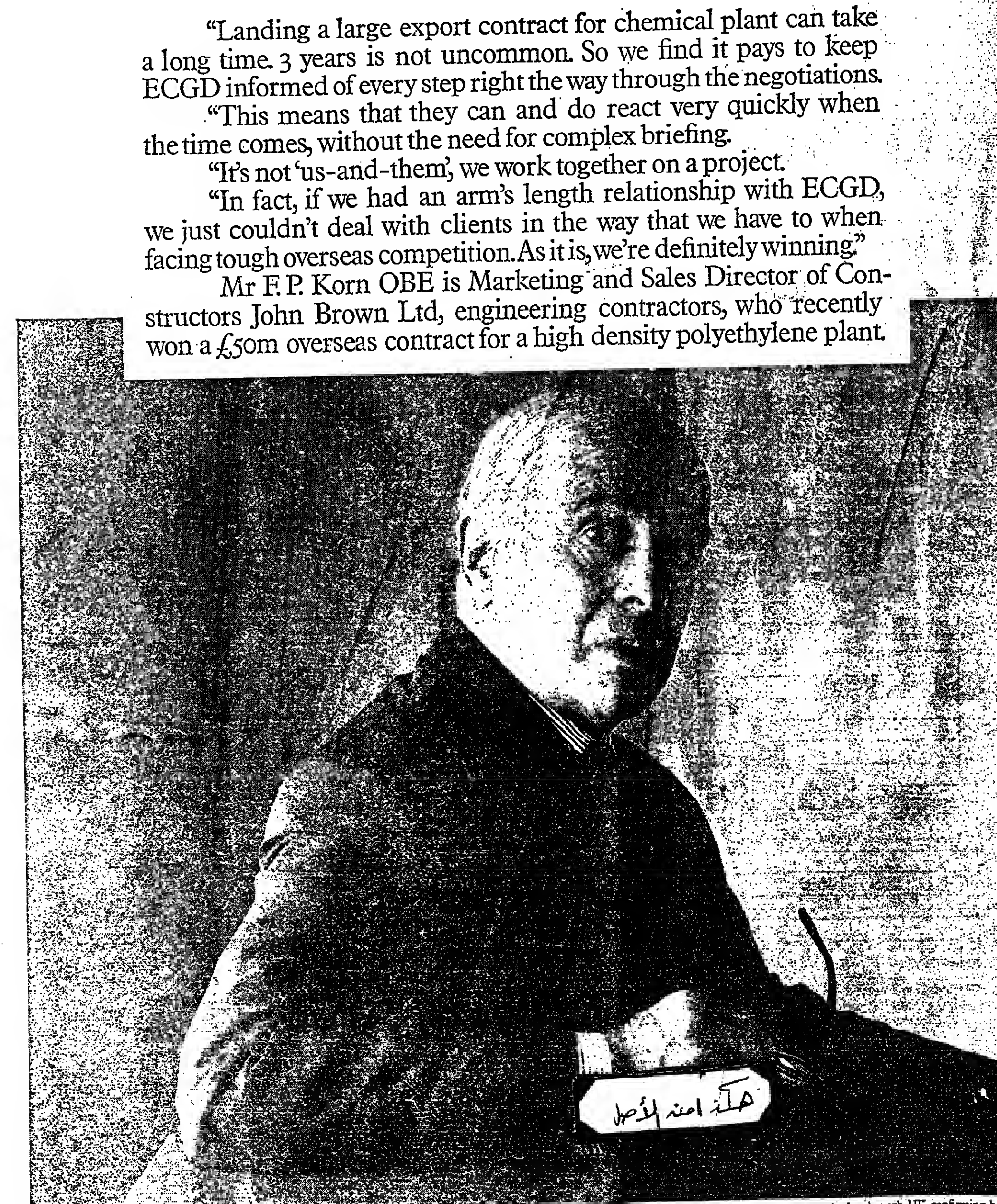
The Pakistan Government has appointed foreign and local consultants to undertake a comprehensive study and suggest measures to save the cotton textile industry from extinction. The study is being carried out under the aegis of the Ministry of Industries which has required the services of two Brussels textile consultants Warner International. The World Bank and two Pakistani Development banks, Pakistan Industrial Credit and Investment Corporation and Industrial Development Bank of Pakistan are also closely involved in the study.

The survey is being undertaken with a view to determining the industry's technological capability to produce textile products of quality and cost which would enable the industry to improve its export performance in the world market. The extent of modernisation and expansion of existing capacity required would be assessed, taking into account the projected domestic and export demand over the next two plan periods.

MAN in Algi Maschinenfabrik, Mannheim AG (MAM) sign a contract with a company spokesman reports from Munich now centre on first of a factory for bus chassis, another plant commercial vehicle engine factory will be built in Mannheim. Meanwhile, CAH and Services Milu Pierre Goyer is let at 23 Canadian by trade development Algeria and Morocco. Ottawa, correspondent.

Ericsson \$33m deal. L. M. Ericsson, the Swedish telecommunications group, has received an order from Libya for the supply of telephones and equipment valued at \$33m. The greater part of the order, amounting to \$25m, will be for the supply of a tele-

St. Gothard. I. Novartis AG, St. Gothard, Switzerland, has awarded a contract for the supply of telephones and equipment valued at \$33m. The greater part of the order, amounting to \$25m, will be for the supply of a tele-



"Landing a large export contract for chemical plant can take a long time. 3 years is not uncommon. So we find it pays to keep ECGD informed of every step right the way through the negotiations. "This means that they can and do react very quickly when the time comes, without the need for complex briefing. "It's not 'us-and-them', we work together on a project. "In fact, if we had an arm's length relationship with ECGD, we just couldn't deal with clients in the way that we have to when facing tough overseas competition. As it is, we're definitely winning." Mr F. P. Korn OBE is Marketing and Sales Director of Constructors John Brown Ltd, engineering contractors, who recently won a £50m overseas contract for a high density polyethylene plant.

ECGD offers insurance cover for a very wide range of exports, including raw materials, mass-produced and capital goods, services, construction contracts and sales through UK confirming houses, merchants and overseas subsidiaries of UK firms. For certain business ECGD also offers bank guarantees for export finance at favourable rates (to the exporter or his customer), guarantees for pre-shipment finance and performance bonds; and cost escalation cover. Full details from your local ECGD office.

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HOME NEWS

Interim guide to inflation accounts

By Michael Lafferty, City Staff

THE PROPOSED interim guidelines for big companies to show the effects of inflation in their accounts were given preliminary consideration by the Accounting Standards Committee yesterday.

State industrial aid up 25% last year

By JOHN ELLIOTT, INDUSTRIAL EDITOR

FINANCIAL ASSISTANCE given by the Government to industry under regional aid schemes increased by up to 25 per cent. during the last financial year at a time when the Government was also introducing a number of new industrial incentives.



Mr. Eric Varley

This emerges from the annual report of the Industry Act, 1973, which was published yesterday. It was heralded by Mr. Eric Varley, Secretary for Industry, who said that the results showed the Government's determination to do all it could to help maintain employment and expand industrial capacity.

The bulk of the increase in aid came through regional development grants to industry in assisted areas which cover all of Britain north of Manchester, plus Wales and the South-West.

During the 12 months ending on March 31 this year, nearly 53,000 applications were received for aid covering some £2,722m. of capital expenditure. As a result nearly £410m. was paid out in grants, a 26 per cent. increase over the £325m. paid out in 1975-76.

Applications included in the £410m. figure are grants of £108m. for investment in Scotland and £62m. in Wales.

Other companies benefiting under individual applications were Dala Recording Instrument, Drake and Scull Holdings, Kearney and Trecker, Marwin, Norton Villiers Triumph, and two companies which have sprung from NVT, the Marston Co-operative and Wolverhampton Industrial Engines.

The report also details some early success for the Government's selective investment scheme which was announced last December with £100m. to promote investment projects which would lead to significant benefits for the U.K. economy.

By the end of March 28 applications had been received and about £2m. was being allocated.

Measures were also introduced during the year to help the shipbuilding industry including escalation insurance, refunding of an £4.26m. intervention fund to help yards obtain orders.

Commentaries included in the report from the chairman of the Industrial Development Advisory Board and its regional counterparts reflect the impact of the increases in State aid although there have also been some criticisms in the Government from the industry.

U.K. which received grants totalling £20m. and loans of £14m.

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King's Cross electric go-ahead

By David Walker

THE FINAL stage of British Rail's Great Northern suburban electrification scheme starts to come to fruition on Monday, when the first electric trains begin running between King's Cross and Royston, Herts.

The project, which started five years ago and is likely to cost £80m., will be complete next January, when the 26,000 passengers a day who use the Eastern Region commuter services between King's Cross, Moorgate and Hertfordshire see the introduction of the new timetable reflecting improvements in the electric trains can offer.

That will involve a doubling of the frequency of outer suburban trains to two semi-fast trains and one fast train an hour in off-peak periods, and seven trains an hour in each direction during the peak. Journey times will be cut by up to 20 minutes.

The result, Eastern Region hopes, will be a 15 per cent. increase in passengers during the first 12 months of the new service.

The rearm expects an 18 per cent. return on its investment, and something like a halving of losses on the route, which have been running at £250,000 a year.

The hoped-for investment return compares with a Treasury target of 25 per cent. for British Rail's overall spending, but is nevertheless seen as commendable for a commuter service with its peak-period problems.

Research bodies plan merger

By JOHN LLOYD, INDUSTRIAL STAFF

TWO OF the country's four major research institutions are planning to announce a merger, according to a spokesman of the Political and Economic Planning Centre's council, said yesterday.

The organisations are roughly of equal size, with annual budgets of £250,000 and about 15 research staff each. Both work in similar areas, though PEP tends to study employment and investment policy while the Centre analyses social and educational matters.

Both organisations are partly funded by government, partly by the trusts, both have the same structure and are facing similar problems to be ironed out. Brookings, the merger will make them comparable in size with the other two research centres, the National Institute for Economic and Social Research and the Institute of International Affairs at Chatham House.

Both organisations stressed last night, however, that they trust both have the same structure and are facing similar problems to be ironed out. Brookings, the merger will make them comparable in size with the other two research centres, the National Institute for Economic and Social Research and the Institute of International Affairs at Chatham House.

Tourism income could top £6bn. by 1985

By JAMES McDONALD

TOTAL TOURISM expenditure in Britain—both from home and abroad—could exceed £6bn. by 1985—a jump of over 65 per cent. over 1975 figures, at constant 1975 prices.

The report, prepared by the British Tourist Authority, says that by 1985, says the BEP report, Britain's tourism income is expected to increase by over 65 per cent.

Colquhoun decision unlikely to be reversed

By Rupert Cornwell, Lobby

MRS. MAUREEN COLQUHOUN, Labour MP for Northampton North, appears to have a slim chance of reversing the decision of the Executive Committee to stick by her later appeal to Labour's Executive Committee.

So far Transport H has heard nothing of her plea last night close observers see few technical grounds which a complaint of irregularity could be upheld. The date chosen for the constituency meeting in her district is in order.

It will be up to the Executive Committee to decide whether to accept the date chosen by the local party with special care, highly marginal nature of the case, which would change on a swing of only 20 votes.

Mr. Reg. Prentice, Labour Cabinet Minister in charge of a complex campaign to save a similar dismissal in North East.

Mr. Prentice says that the case, which is not only a public statement of support to Mr. Powell's views, but also a statement of support to the Labour Party's policy on the matter.

MORE READERS FOR US

WEEKEND! CARY GRANT BANS WOMEN FROM HIS HOSPITAL BEDSIDE Even nurses had to be men. MYSTERY OF THE MOTORWAY PHANTOM

MORE READERS FOR YOU

Weekend readership figures for Jan-June 1977 were 11.7% up on readership for Jan-June 1976. Women readers increased by 16.6%, housewife readers by 17.5%, men by 6.4%. In addition there was an increase in the number of young readers and AB readers.

All of which makes WEEKEND a better buy for advertisers. Please contact Laurie Large at Weekend Magazine on 01-353 6000.

IN BRIEF

Cost of fire damage cut

Fire damage in Britain in the first eight months of the year has fallen to £1,472m. against £1,616m. in the corresponding period last year.

Boost from bets

Receipts from all betting and gaming duties in August amounted to £24.1m. according to Customs and Excise figures.

Cold comfort

Considerably fewer domestic refrigerators—British manufactured and imported models—were delivered to the U.K. market in July.

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Professor puts five-point nuclear plan to inquiry

By IAN BREACH IN WHITEHAVEN

A LONG-TERM policy for the safe management of nuclear energy materials and technologies was proposed to the Windscale Inquiry yesterday by Prof. Joseph Rotblat, emeritus professor of physics at the University of London.

He told the inquiry that the proposed contract for the reprocessing of Japanese reactor fuels at Windscale was seen in the light of the country's tendency to export its plutonium.

As a result of strong domestic concern there about environmental pollution, there was great pressure on government and industry to send nuclear wastes to Britain.

But halting the development of a reprocessing plant would not, by itself, solve the proliferation issue. Prof. Rotblat urged the Government to adopt and make efforts to influence other countries to follow a radical five-point nuclear programme.

Because of the military links nuclear energy should be taken out of commercial hands and managed as an international enterprise.

An international bank should be established for the acquisition, storage and allocation of nuclear fuels.

Cost of fire damage cut

Fire damage in Britain in the first eight months of the year has fallen to £1,472m. against £1,616m. in the corresponding period last year.

Boost from bets

Receipts from all betting and gaming duties in August amounted to £24.1m. according to Customs and Excise figures.

Cold comfort

Considerably fewer domestic refrigerators—British manufactured and imported models—were delivered to the U.K. market in July.

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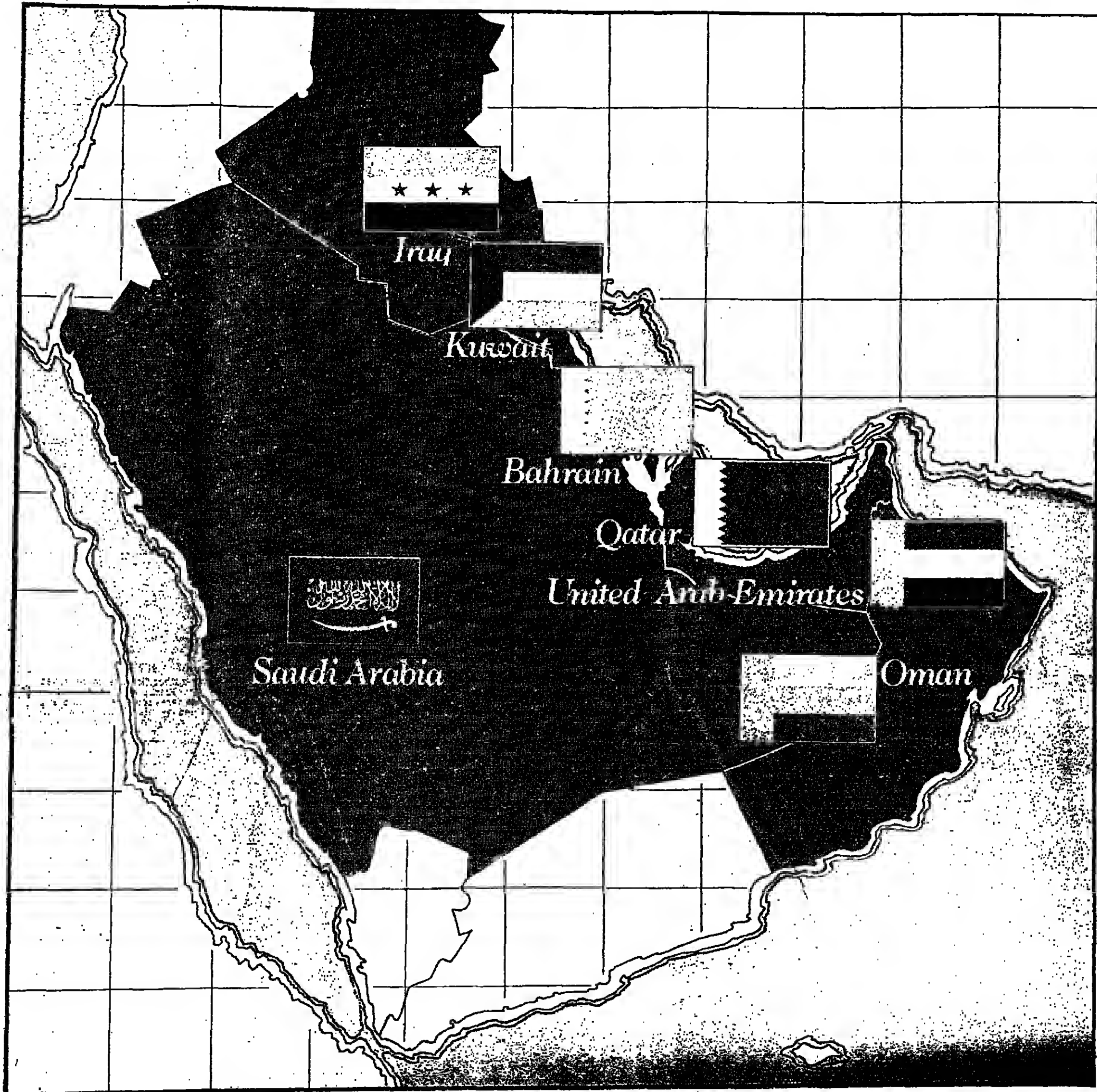
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مكراهن الأصيل

# Oil to spend £3.2bn. on new production

By Peter Corbridge, Energy Correspondent

THE OIL industry is expected to spend £3.2bn. on new production in the next five years, according to a report published yesterday. The report, by the International Energy Agency, says that the industry will invest £1.5bn. in new oil fields and £1.7bn. in new production capacity. The report also predicts that the industry will produce 1.5bn. barrels of oil in 1980, up from 1.2bn. in 1975.

# Three chemical plants launch £8m. schemes

By Kevin Done, Chemicals Correspondent

INVESTMENTS TOTTALLING nearly £8m. have been announced by three chemical companies. Shell Chemicals U.K. is to build a new hydrocarbon solvent plant at its Stanlow refinery at Ellesmere Port. The new unit, costing £2.5m., will replace the existing plant, which was developed piecemeal over a period of about 25 years. The plant, which is scheduled to come on stream in 1980, will produce solvents for use chiefly by the adhesives, rubber and as also critical of surface coatings industries.

# Business leaders show new confidence

By David, Industrial Staff

BUSINESSMEN are showing a renewed level of confidence over the likely success of the Government's earlier efforts to restrain pay increases, and the effects of pay movements on inflation. Staff increases are forecast by 15 per cent of all companies, well above the 10 per cent forecast last year, but down on the 20 per cent in the third quarter of this year. The third quarter covers the summer period in which staffing levels are usually boosted by seasonal demand. Overall production is also expected to be slightly down on last quarter—39 per cent of companies forecast an increase in output, as against 34 per cent in the previous quarter.

# Privacy lagging behind protecting privacy

By Peter Corbridge, Privacy Correspondent

THE PRIVACY Act has not been brought out for five years, said Mrs. Hewitt, author of the NCCL report. "Since then, only one law on people's right to see their credit reference files." The Government has promised to set up a Data Protection Authority with responsibility for computers. The Data Protection Committee is considering proposals for legislation. The NCCL has drawn up its own Charter of Fair Information Practice and would like to see it implemented to safeguard the individual's privacy. The 10-point plan includes demands that no personal data bank must be secret; people should have the right to see, challenge and correct their own files; legal controls on the way in which information is collected; information collected should be relevant and minimal; information should not be used without the person's knowledge or consent; transfer of information abroad must be controlled; the law should guarantee the individual's right to privacy; a Data Protection Authority should be established.

# Tory to halt Leftist ex-Labour MP

By Peter Corbridge, Political Correspondent

THE CONSERVATIVE Party is expected to announce a new tactic of opposing the Marxists and the extreme Left-wing in order to present an apparently united party to win elections exhausted itself. The preposterous coalition between the social democrats whose approach is little different from one-third of the Conservative MPs and all of the Liberal MPs and the Marxists, Trotskyists and other extremists ought then collapse. The pact with the Liberals had halted the Labour Government's implementation of the wishes of the extremists. But, argues Mr. Wyatt, the moderate and reasonable behaviour thus forced on the Labour Government probably made many forget how alarming their behaviour was before the pact. "What's Left of the Labour Party," by Howard Wyatt, Sidgwick and Jackson, £4.95.

# Waterways may win EEC grant

By Ian Hargreaves, Transport Correspondent

THE BRITISH Waterways Board may get a £2.34m. grant from the European Commission to finance major improvements to the Sheffield and South Yorkshire Navigation. If the long-delayed scheme goes ahead, it would be the largest waterways freight development for many years and would, according to an independent consultant's report, increase the volume of goods carried from 500,000 tons to over 2m. tons a year.

# Welsh Development Agency's slow start on industrial front

By Rhys David

SPENDING BY the Government in a number of small companies over recent months, direct investment in Welsh companies was running at the half-way stage of the current year at £1.5m. with other cases involving £10m. under investigation. The agency blames its slow overall start on the low level of industrial investment in the U.K. which resulted in a big drop in the demand for new premises in Wales from companies outside the Principality.

# Iron foundry industry aid totals £66m.

By Our Northern Staff

COMPANIES in the ferrous foundry industry are now well on the way to taking up the entire enlarged total of £66m. Government aid made available for reinvestment and rationalisation under the Industry Act 1972. Latest figures from the Department of Industry show that so far a total of £66m. assistance has so far been approved under the scheme for projects representing a total investment of £300m.

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# Vacant premises

By Rhys David

THE general economic climate also led to the closure of a number of companies in agency premises and these factors, combined with a high rate of completion of advance factories from the inherited programme, led to a level of vacant premises much higher than normal, the report states. Total vacant space available for letting at the end of the period—118,000 square metres—was equivalent to 7.2 per cent of the agency's stock of floor space. Total employment in factories and estates operated by the agency was down in line with the rise in unemployment from the peak of nearly 50,000 in 1972 under the former Welsh Industrial Estates Corporation to less than 60,000 in March, this year.

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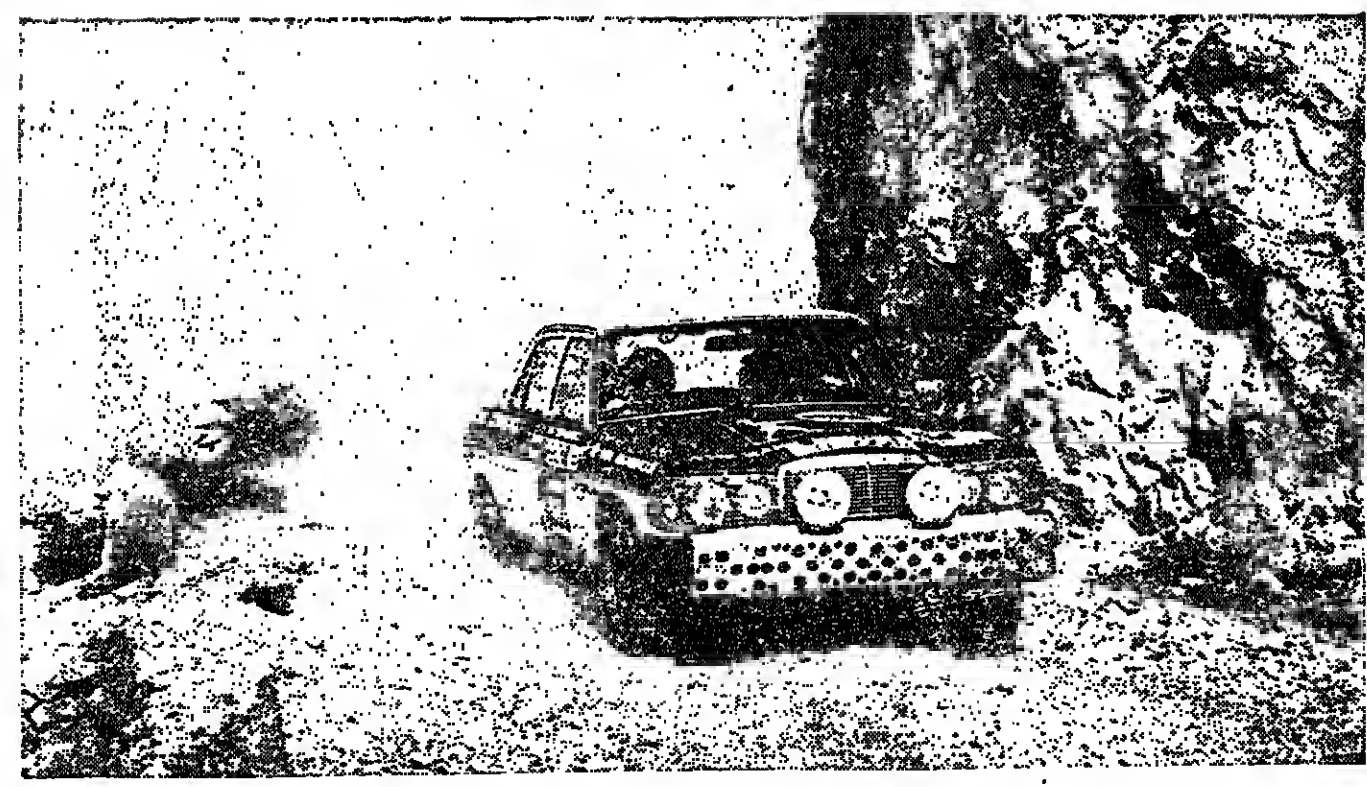
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## Managing Director Lloyd's Brokers International Company

acting on behalf of an influential Insurance Broking Group at whose growth has led to restructuring.

of the consequences of this reorganisation is a need to appoint a Managing Director of the Group's International Company.

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Successful applicant will have a strong international Non-Marine insurance background and be capable of planning and implementing in these areas.

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Substantial salary and valuable additional benefits will match the very considerable potential and the demanding responsibilities of the post.

For further information please contact our Managing Director, Mr. D. R. Lloyd, who himself possesses a London Market background. His private home number is 01-623 9227 and he appreciates that initial discussions should be of a largely exploratory and wholly confidential nature. Ref. 402.

WELLY PETRE LIMITED, Executive Selection,  
15, Lane, London EC4R 0DL. Tel: 01-623 8430.



**GUINNESS PEAT AVIATION**, based at Shannon Airport in Ireland is an aircraft sales, leasing and financing company, jointly owned by Aer Lingus and the Guinness Peat Group of London. In the two years since its foundation it has maintained a constant growth in its activities. The management team is again being expanded to meet this business development.

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The position carries responsibility for management of the company's funds, in a number of currencies, and for advising clients on aviation financing.

The successful candidate will have a record of effective financial management and is at present likely to be a financial controller earning in the region of £9,000 p.a.

Essential qualities are the competence and determination to expand existing expertise into aviation financing, and the ability to successfully carry out high level financial and contractual negotiations.

If you have the ability, experience and background then write to David Hanly at the address below, enclosing full details of your career to date.



David Hanly,  
General Manager,  
PARC,  
52 Poland Street,  
London W1.

### MANAGING DIRECTOR

W. London, Up to £12,000

A long established highly successful specialised engineering company will be appointing a new chief executive on the retirement next year of the present M.D.

With current sales of £2M+ in hydraulic and pneumatic components the company are seeking to expand into equally profitable complementary areas.

Applicants, aged 40-45 with engineering degree and relevant technical experience must be able to demonstrate a track record of commercial success as chief executive of a profitable company or division which they have built up.

Starting salary £10,000 - £12,000 with opportunity for profit share and appropriate fringe benefits. Write in confidence quoting reference GE248 to:

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These appointments will be made to financial executives contemplating key career moves. They are likely to be Chartered Accountants aged up to 45 and currently earning £12,000-£15,000.

Major British Group has two roles, each requiring a degree of self-motivation and a distinguished background of

experience preferably gained in a process/manufacturing environment. One of these appointments calls for substantial general management capability, and the other responsibility for treasury and asset management and financial planning.

Meetings can be arranged either in Manchester or London.

For further information, please forward, in complete confidence, quoting reference 1044MA, a career summary or telephone for an application form to Mervyn Hughes Group, 53/55 Princess Street, Manchester M2 4EQ. Tel: 061-236 8935.

### Mervyn Hughes Group

Management Recruitment Consultants

## EL-CURE MYERS LIMITED SENIOR GILT DEALER

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We wish to appoint a Senior Analyst to extend our specialist research services in the Bank sector.

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### WILLIAMS & GLYN'S BANK

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Man of a medium-size independently owned processing and distribution group, it requires a P.A. at senior level to assist in the general management of the divisions.

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Remuneration package is negotiable, plus expenses.

For further information, please write in confidence, giving brief details to:  
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G. W. PADLEY LIMITED,  
Twick, Sleaford, Lincolnshire.

### QUEEN MARY COLLEGE University of London

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The ENERGY RESEARCH UNIT is mounting courses for middle management personnel from producing countries in Petroleum Planning and Economics. We are interested in staff with Refinery/Supply experience. The post could well suit recently retired personnel from the oil industry and could be on a part-time basis. Salary (full-time) on scale (under review) £3805-£7105 p.a. Please apply by letter (with c.v. and names of 2 referees) to The Registrar, (FT) Queen Mary College, Mile End Road, London E1 4NS, as soon as possible.

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## BANK MANAGER for Oman

An experienced Arabic-speaking commercial banker required to be Manager of the main corporate branch of expanding local bank in Sultanate of Oman. Free furnished accommodation, car and other benefits.

Applications will be treated in strict confidence. Write Box A.6091, Financial Times, 10, Cannon Street, EC4P 4BY.

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1. Are you a qualified Accountant?
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If you can answer "yes" to all of the above questions then you may be the person we need to assist our group taxation manager.

Please write to us at Box A.6095, Financial Times, 10, Cannon Street, EC4P 4BY, giving us full details of your career to date. Confidentiality will be fully respected.

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Manufacturers Hanover Leasing wish to recruit a Leasing Officer for its London-based operation. The successful applicant will be responsible for negotiating the lease/finance of capital assets and will report direct to the Managing Director.

Candidates will be in the age range 25-35 and possess a proven record of success within this specialised field of banking activity.

Salary will be commensurate with experience, a car is provided and there are fringe benefits consistent with those of major U.K. banking institutions.

In the first instance, write giving details to:

Mr. A. W. Jukes, Managing Director,  
Manufacturers Hanover Leasing U.K. Ltd.,  
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London EC2N 2EN.

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Apply immediately with full C.V. to Box A.6094, 10, Cannon Street, EC4P 4BY.

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indicating the name of any Company to whom you do not wish your reply to be sent. Any such reply will be destroyed.



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AUSTRALIAN TREASURY

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**Deputy Australian Government Actuary**

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The office uses a wide range of actuarial techniques and provides actuarial advice to departments, government authorities and other organisations. In particular, the office is concerned with investigations into the integrity and stability of long term contracts where money is received or paid in advance as a contribution for payments to be made when certain events occur in the future.

The Australian Government Actuary will:  
• Direct and control the work of the office.  
• Provide policy advice as may be requested by the Treasurer or the Secretary to the Treasury on matters to which actuarial and related expertise is relevant.

• Provide actuarial advice as required to various Government departments, semi-government and authorities etc. as well as to the Life Insurance Commissioner and the Insurance Commissioner.

The Deputy Australian Government Actuary will:  
• Supervise and direct actuarial investigations and analyses of experience of superannuation and other similar funds, including but not restricted to:-

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- valuation of pensions and lump sum superannuation funds;

- analysis of surplus or deficiency in a Fund and the making of recommendations on the measures to be taken.

• Assist and represent the Australian Government Actuary as required (including inter-departmental meetings, and in discussions and consultations with client departments, semi-government and other authorities).

The successful applicants will possess a Fellowship of the Institute of Actuaries (London) or Faculty of Actuaries (Edinburgh) together with extensive experience in the investigations of pensions and superannuation funds.

They will be appointed as permanent officers to the Second Division of the Australian Public Service and will participate in the Retirement Benefits Scheme. Conditions of service include four weeks annual recreation leave with a bonus payment, cumulative sick leave, maternity leave and eligibility for long service leave on completion of ten years service. Reasonable relocation expenses may be borne by the Department and an allowance for temporary accommodation may be given to married applicants from outside Canberra. Temporary accommodation is available.

\*At present exchange rate, £1 = \$A1.49 approximately.

Applications, which close on 28th October, 1977, should be directed to:

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We are looking for a university graduate with several years' banking or financial experience preferably gained in the international field. A person with a thorough knowledge of trade and project finance and able to conduct independently negotiations with clients and other banks at a high level.

Fluent English and Norwegian are essential. At least one other European language would be an advantage.

The salary will be commensurate with experience but should attract the right person. Assistance with housing, relocation expenses and other fringe benefits will also form part of the compensation package.

Applications as soon as possible in writing with particulars of past experience, education, age and family circumstances should be addressed to Mr. J. C. Clark, Manager Personnel and Administration, Nordic Bank Limited, Nordic Bank House, 41/43 Mincing Lane, London EC3R 7SP, or to Mr. R. Sundt, Personnel Director, Den norske Creditbank, Kirkegaten 21, Oslo 1, Norway.

Interviews will be held in London and Oslo in the autumn.

Applications close by 30th October.

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Nordic Asia Ltd. Hong Kong	Total Staff	160	

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For an expanding company with a turnover of £4m. involved in the hire of mechanical services and equipment to large civil and structural engineering contractors.

The brief is to grow the business significantly whilst at the same time optimising the profitability of the existing operation.

Key characteristics of a successful candidate are:

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Salary indicator is £13,000 + car and generous fringe benefits.

Applications, in strict confidence to Box A6093, Financial Times, 10, Cannon Street, EC4P 4BY.

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Our clients are a leading firm of Stockbrokers based in the City.

They wish to recruit a Chief Accountant who will be responsible to the Finance Director for the financial, internal audit and management accounting functions. An important aspect of the position will be the simplification of present systems which relate to a complex and fast moving business with a substantial volume of obligatory reporting. The successful candidate will be a qualified accountant, aged from 28 to 40 with proven experience, ideally in stockbroking or in a financial service organisation.

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Please write or telephone for an application form, quoting ref. 881. to:

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Tel: 01-568 6644.

## SENIOR TAX CONSULTANT SINGAPORE - £18,000

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- An overall knowledge of Revenue laws.
- At least five years' experience in a senior position in either the Inland Revenue department or a professional practice.
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They offer excellent career advancement opportunities and most attractive working conditions. Please apply to:-

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## Corporate Finance

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We are expanding our corporate finance department which is responsible for advising clients on financing and other corporate problems, including issues, mergers and acquisitions and wish to recruit an additional executive.

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**Keyser Ullmann**  
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Responsibilities will include project research in any aspect of the Company's business, monitoring financial trends, liaison with senior management and acting in secretarial capacity for Company Management Committee. Ability to think logically and quickly, and communicate easily at all levels is needed. Promotion prospects to department management level are foreseen. The position offering good conditions is based in the West End of London. Please send for interview giving Job references to:

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WEST LONDON

INITIALLY c.£12,000

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Dubai Starting Salary c. £10,500

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Mary Dickie 186 City Road, London EC1V 2NU

01-251 1644

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£8,000

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Spence and Pender & Co.  
Management Consultants  
3 Bern Street,  
LONDON EC4A 3DF

## Jonathan Wren Banking Appointments

The personnel consultancy dealing exclusively with the banking profession.

<b>LENDING OFFICERS</b> to £12,000 We currently have several vacancies with international banks for experienced international lending officers. Applicants will be aged in their mid-thirties to early thirties, ideally hold an M.B.A. or good degree. Preferably be fluent in at least one other European language, and have marketing experience in Southern Europe and/or Middle East areas. Attractive starting salaries are negotiable to £12,000 according to experience, together with excellent fringe benefits. Contact: Leslie M. Squires (Director)	<b>CREDIT ANALYSTS</b> to £6,500 We currently have several vacancies with international banks for credit analysts with at least eighteen months previous experience, ideally gained in international banking. Applicants should be aged between 23 and 28 years of age and possess a degree or A.F.R. A knowledge of another European language would be an advantage. Contact: Leslie M. Squires (Director)
<b>A.C.A. (AUDIT)</b> c. £6,500 A large U.S. international bank is seeking a qualified Chartered Accountant aged about 26, with two years' post-qualification experience, to fill a senior vacancy within the European Audit Team. This London-based position will involve some 50% travel throughout the Continent. Contact: Norma Green (Director)	<b>FINANCE REPRESENTATIVES</b> to £5,000 We currently have vacancies throughout the U.K. with national finance companies for representatives aged in their twenties to early thirties. Applicants should have at least two years' previous experience with a national finance company, be well presented and have a pleasing personality. Good travel and fringe benefits are negotiable according to experience. Contact: Leslie M. Squires (Director)

Jonathan Wren & Co Ltd, 170 Bishopsgate, London EC2M 4LX 01-623 1266





up to £15,000

### CHARTERED ACCOUNTANT

**Client** A large well respected quoted city group.

**Job** Initially a controller position leading within two or three years to the post of Financial Director in an important subsidiary in the group.

**Candidate** Age from 30 preferably with "top ten" large firm experience followed by a minimum of three years spent outside the profession preferably in a similar role.

Please send brief but comprehensive details of career and salary to date, which will be treated in confidence, to:

E. J. Robins, The Executive Selection Division - MF904, Coopers & Lybrand Associates Ltd., Management Consultants, Shelley House, Noble Street, London, EC2V 7DQ.

## International Bond Dealer

As the newly formed merchant banking subsidiary of a fast growing international banking group, our Client's recent entry into the Eurobond market is nothing remarkable, it is remarkable in the dynamism and vigour of our Client's vigorous team, and the steady level of success they have already achieved in a few short months of Eurobond trading.

Their initial success points to impressive future expansion - a development to which the appointment of a Eurobond Dealer will be a central role.

As the number two in the investment division, the man or woman our Client selects must possess business-related academic qualifications of the highest international standing, recent, be or she will be working in the money, syndicated Eurobond market should have at least five years' experience in international bond markets, with a sound understanding of equities and stock

market operation. Experience should also encompass such areas as US securities and the international money market.

On a personal level, the successful candidate will be characterised by the ambition to become a senior bond dealer in the short term, and by the all-round ability to progress to senior executive positions in the long-term.

The location is the City. The salary and benefits package will fully reflect the importance our Client places on this appointment, and the combination of qualifications and abilities the role demands.

Please write with a full c.v. to Position No. AGI 6436, Ausin Knight Limited, London, W1A 2DS.

Applications are forwarded to the client concerned, therefore any companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

### Corporate Finance Manager

£8500+

CIN Industrial Finance Limited - a Company wholly owned by the National Coal Board's Superannuation and Pension Funds - seeks a Corporate Finance Manager who will report to the Director of Industrial Finance.

The Candidate appointed will be responsible for the appraisal, negotiation and implementation of investments relating to project finance; this will involve carrying out examinations of widely diverse industrial activities covering such sectors as plant leasing, engineering, stockholding and agriculture (comprising both farming and food processing).

There is also specific responsibility for co-ordinating the Fund's direct investment in agriculture, and for the administration and accounting for the joint funds invested on behalf of several Institutions in the financial sector.

Candidates must have knowledge of investment appraisal techniques and familiarity with company and finance legislation gained in a comparable appointment. An accountancy qualification will be expected.

Please write with full career details to:

Lionel Anthony, Director, Industrial Finance, CIN Industrial Finance Limited, 10 Boulevard Street, London EC4.

مكثامن الأهل

## Area Training Adviser

LONDON

The Distributive Industry Training Board has a vacancy for a Training Adviser to work in the East London districts of London and based at our Southgate Office.

The successful applicant will be expected to display a high level of self motivation, personal organisation and interpersonal skills. Additionally, he or she will have the ability to discuss trends and problems within the industry in meaningful and relevant terms, to assist companies to prepare and implement action plans to meet their business/training needs. A high degree of training organisation and practical ability is necessary, plus experience in one or more of the following at management level:

Retail, Wholesale, Buying and/or Personnel Training. Applicants would need to have developed some understanding and skill in:

- Business Economics Planning and Strategy, Resource Management and Sales and Marketing. Candidates should ideally have a degree or equivalent, HND or IPM Diploma.

Commencing Salary (including Threshold payments) is £4,250 per annum. An Inner London Allowance of £327 per annum is also payable. A car is provided and applicants must therefore hold a current driving licence.

Regular salary reviews and excellent opportunities for personal development exist within the national team of Field Advisers and the right person will find this job an exciting and rewarding challenge.

Please write for an application form quoting REF: ATA/53 to The Personnel Controller, Distributive Industry Training Board, MacLaren House, Talbot Road, Streetwork, Manchester M32 0PP, within the next SEVEN days.



### N M Rothschild Asset Management Limited

We shall shortly be making three appointments for men or women aged 25-28 in the expanding Investment Division of Rothschilds in London. The initial positions are described below, but those selected could later move to other parts of the operation. Our pension fund business has grown rapidly in recent years: we manage a number of investment and unit trusts; we provide government bodies and corporate clients with international currency advice; specialist departments are active in property and commodities. We supervise some of the largest private portfolios in the country. There is regular travel and interchange of views with the affiliated Rothschild investment banks in Europe, the United States and South-East Asia. We can also promise you a friendly atmosphere and an increase in your work load until you are fully stretched. The remuneration package will be highly competitive.

### Commodity Specialist

A member of a small specialist team managing on behalf of clients long-term funds invested in commodities and commodity related securities. The work will initially involve research and recommendations for investment in the shares of plantation and other soft commodity related companies. Candidates must have had at least two years' experience in investment advisory work or portfolio management and have a good grounding in one or more soft commodities.

### Investment Manager

A member of our pension fund department managing, on behalf of trustees, substantial long term funds invested primarily in UK securities. The work will combine assistance in day-to-day portfolio management with a specific research role. Candidates must have had at least two years' experience in investment advisory work or portfolio management and have a good knowledge of several sectors of the UK market.

### Currency Economist

A member of a compact group advising central banks on reserve management and multi-national companies on their currency exposure. The work will initially involve collating and analysing economic data relevant to exchange rate movements. Candidates must have had at least two years' experience, preferably in the Treasury Department of an international corporation, in the economic currency forecasting department of a bank, or in financial journalism.

Apply, giving curriculum vitae and present salary, to:-

The Staff Director, N M Rothschild & Sons Limited, New Court, St. Swithin's Lane, London, EC4P 4DU.



## Professional Management Accountants

NORTH-EAST/SALARY NEGOTIABLE

We are a world-wide group with a take-over in excess of £60 million and an enviable profit record. Two excellent opportunities have been created in this dynamic engineering company for first-class Accountants to mix the theoretical with the practical in developing and implementing effective management and financial accounting systems and techniques.

### PLANT CONTROLLER

Reporting to the Director and General Manager of a factory employing about 2000 people and producing truck-mounted cranes, you will be responsible for the full range of costing and accounting functions appropriate to the control of an autonomous profit centre. Through the excellence of your approach to management accounting you will establish the function as an indispensable part of the management scene.

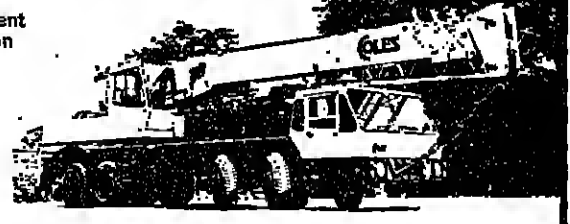
### MANAGEMENT ACCOUNTANT

Operating on a world-wide group basis, you will advise on and co-ordinate the preparation of annual budgets and easily assimilated reporting packages. You will be involved in the development of improved management information systems and future inflation accounting, as well as profit planning techniques. You should be able to demonstrate success in establishing management accounting as a tool which facilitates decision making and stimulates action.

Candidates for both positions, which are open to male and female applicants, should have good accounting qualifications, a sound academic record and be of degree calibre. In-depth experience related to the particular post, together with determination to achieve high professional standards and an infectious enthusiasm for the activity are seen as essential characteristics. Career progression within the Group will be no problem for the right candidates.

The location is easily accessible from Durham and Newcastle and is close to National Parks and the attractive Northumberland coastline.

Apply in writing stating how you meet our needs to: Coles Cranes Limited, Crown Works Sunderland SR4 6TT.



## Financial Planning Director

Singapore

£20,000 plus attractive fringe benefits

Our client is a long established profitable Group in the Far East and Australia, with an annual turnover of £110 million and engaged in a wide range of purchasing activities, engineering, manufacturing, shipping and tourism. The Group is associated with two U.K. based international companies and the career prospects are excellent.

This is a senior Group appointment for which the applicant must be a qualified Accountant, with a successful track record in commerce or industry. He should have a well rounded education, be a good communicator and well versed in financial planning and control.

Please telephone David Munns on 01-629 7566 or write giving full career details.

KORN/FERRY DICKINSON LIMITED, 20 Queen Street, Mayfair, London W1X 7PJ



### Commodities Account Executive

Our client, a well-established firm of brokers with full back up facilities, requires an experienced account executive to play an important part in their further expansion. The person we seek is an ambitious individual who, having achieved a high level of success, will now be attracted by greater scope for career development. The position, which is London based, offers an extremely attractive remunerative package. Contact F. J. Stephens who will treat all enquiries in the strictest confidence.

Stephens Selection Recruitment Consultants, Dover Street, London W1X 3RA. 01-498 0617

### PARTNER DESIGNATE £7,500 - £10,000

medium-sized and expanding Holborn Chartered accountancy firm. If applicant will be a tax manager aged 25-30 with a highly respected international Group. A young qualified chartered accountant with a sound industrial background in which professional life is enjoyed and staff and we intend to keep it that way.

NEVILLE SASSIENIE, BARNES ROFFE & CO., 24 Bedford Row, London WC1R 4BA.

### YOUNG ACCOUNTANT

young leading in a law appointment now exists in London, in a highly respected international Group. A young qualified chartered accountant with a sound industrial background in which professional life is enjoyed and staff and we intend to keep it that way.

RECLAYS EXECUTIVE APPOINTMENTS LTD., 111 Strand, London W1. Tel: 01-835 3815

### DRAKE ACCOUNTING

### ASSISTANT FINANCIAL CONTROLLER EUROPE

£8000

The European Headquarters of a substantial privately owned U.S. Corporation is now seeking to strengthen its London based management team with this new appointment. Operating extensively in Europe, they are specialists in the production of lubricant based coatings for a variety of industrial and commercial applications.

The Assistant Financial Controller Europe will be responsible for financial and management reporting, co-ordination of computer and costing systems, advising on the feasibility of further computer developments, audit, control and movement of funds and eventually fiscal negotiations.

This is a demanding position which will require regular visits to all European locations. A high level of commitment is required and success will offer the opportunity of progression in Europe.

If you are professionally qualified, aged 27-35, with a record of success in an international company, experienced in the use of computers and ideally have a knowledge of another European language, please ring Brian Cognet, A.C.C.A., on 01-628 2691, for an immediate interview.

DRAKE ACCOUNTING (Consistency) 80 Bishopsgate, E.C.2.

### CHARTERED ACCOUNTANT

INTERNATIONAL WINE COMPANY

requires qualified Chartered Accountant aged 35-45 to implement new financial systems. Previous experience in commerce essential. Although based in London, knowledge of a Latin language an advantage. Excellent prospects.

Please write to Box A.6089, Financial Times, 10, Cannon Street, EC4P 4BY.



ACCOUNTANT ADMINISTRATOR. Quality accountant for East Africa with 10 years experience. Age range 25-45. Car and accommodation also substantial salary.

GENERAL TRADER with Foodstuffs background and contacts with supermarkets, wholesalers and cash and carry outlets. City based c. £8,000 plus benefits.

01-439 1701

### COMMISSIONING ENGINEERS

Electrical/Instrumentation/Mechanical

required to join the staff of a progressive company with A-Z capability.

Projects: Refinery, petrochem., offshore plant and systems.

Current projects are centred around North Sea construction.

Positions are for senior staff suitably qualified and with extensive experience.

Excellent salaries, conditions and incentives exist for staff of correct calibre.

Write in confidence giving full details to:-

SEAFAB CONSULTANTS LIMITED

Eagle House, Shore Lane, ABERDEEN.

### LAING & CRUICKSHANK

Incorporating Powell, Popham & Dawes

### INVESTMENT ANALYST

required, preferably with City experience in the chemicals or textiles sector to work in these areas with established personnel.

Salary will be negotiable, according to experience.

Please apply (including c.v.) to S. de L. Walters, Laing & Cruickshank, Stock Exchange, London EC2N 1HA.

## Recently Qualified Accountant Computer Audit

c. £6,500

Morgan Guaranty, one of the world's leading international banks is seeking a recently qualified accountant.

The Bank is undertaking a major development of systems covering all aspects of its activities and procedures. The successful candidate will join the project team covering the incorporation into the systems of reporting and accounting controls. This will involve close liaison with both E.D.P. and senior management.

Applicants will probably have trained with a leading professional practice and have a knowledge of sophisticated accounting systems and computerised procedures.

In addition to the competitive salary, an attractive range of fringe benefits is offered including low cost mortgage facilities.

Please write enclosing a full Curriculum Vitae to Mr. R.F. Binham, Personnel Department, Morgan Guaranty Trusts Company of New York, 53 Lombard Street, P.O. Box 151, London EC3P 3BH.

Morgan Guaranty Trust Company of New York



Applications are invited for the following post:-

### Treasurer's Department DEPUTY COUNTY TREASURER

Salary: £8,394 + £195(2) + £192 - £8,576

Applicants must be qualified persons with professional and managerial experience in financial administration.

Application forms and further details are available on receipt of a stamped addressed envelope, from

The Director of Personnel & Management Services, County Hall, Carmarthen.

Closing date: 24th October, 1977.

CANVASSING DIRECTLY OR INDIRECTLY WILL DISQUALIFY



# BECSA

Belgian Engineers and Constructors s.a.

société spécialisée dans la construction "clé-en-main" d'ensembles industriels à l'étranger cherche un

## chef de projet senior

capable d'assumer toutes les responsabilités d'élaboration et de coordination des opérations techniques, commerciales et financières liées au développement d'un projet depuis sa phase promotionnelle jusqu'à sa négociation finale.

### PROFIL:

- formation technique de niveau supérieur; □ 35 à 45 ans;
- plusieurs années d'expérience dans la préparation et la gestion de grands projets industriels; □ connaissance pratique de l'anglais indispensable; la pratique de toute autre langue constitue un avantage; □ prêt à faire de fréquentes missions à l'étranger.

### LA SOCIÉTÉ OFFRE:

- appointements en fonction du niveau de qualification;
- avantages extra-légaux; □ esprit d'équipe.

Veillez adresser votre curriculum vitae détaillé à BECSA, Service du Personnel, square Frère Orban 7, B-1040 Bruxelles, Belgique. Tél.: 02/230.0010. Les candidatures sont traitées confidentiellement.

## Business Analyst

London - West End to £7,000

Our clients are a forward looking, UK owned, international manufacturing group (T/O £1000m). Reporting directly to the Head of the Business Opportunities Department the successful candidate will be given considerable autonomy and will therefore need to be largely self-motivated. The duties include the preparation of detailed reports on specific business areas, their profitability and trends and the identification of growth sectors of high profit and acquisition possibilities within them. Applicants, male/female, aged 27 - 32 should have a minimum of two years' experience in business/investment research, including visiting companies and preferably have a relevant degree. REF: 426/FT Apply to R.P. CARPENTER FCA, FCMA, ACIS, 2-4 King Street, St. James's, London SW1Y 6QL. Tel: 01-930 9982

### Phillips & Carpenter

Selection Consultants

As a result of a major restructuring programme

### WOELLWARTH & CO., LTD.

International Money Brokers

wish to engage personnel on their foreign exchange and currency deposit sections. Experience in Deutschmark and Swiss Franc exchange and in Dollar and Continental deposit markets would be particularly useful.

Write in strictest confidence to:

The Managing Director, Woellwarth & Co. Ltd., Friars House, New Broad Street, E.C.2.

## OLYMPIC HOLIDAYS

require a Chief Accountant c.£6000

In line with the planned expansion of our management services division we now require an experienced Chief Accountant to be responsible to the Financial Director for all aspects of financial accountability and management reporting for Olympic Holidays and associate companies. Based at our London accounting centre, the person required will not only be able to demonstrate good commercial experience, but will have the personality and enthusiasm to guide and control staff through an exciting period of growth when we are seeking to develop our computer operations. The position will command a salary in the region of £6,000 p.a. negotiable according to experience, plus certain fringe benefits which will include Travel concessions.

Apply in writing, giving full C.V. to: Mr. W. Dyer, Financial Director, Olympic Holidays Ltd., 24 Queensway, London W2 3RX.

## ACCOUNTANT FOR STOCKBROKER

A medium sized firm seeks a qualified accountant to fill the position of financial controller and assistant to the Finance Director of a growing Stock Exchange business. The successful candidate will have had some years of experience either in a practice, preferably in the City, or working in a financial group. Experience with Stock Exchange accounting would, of course, be advantageous.

The post will involve being responsible, with an existing team, for the production of management accounts, returns to the Stock Exchange and to the Exchange Accountants and for a major part of the firm's Corporate work.

Salary depending on age and experience but will fully recognise the importance of the post to be filled.

Write Box A.5079, Financial Times, 10, Cannon Street, EC4P 4EY.

LEADING FINANCIAL CONCERN requires

## PORTFOLIO INVESTMENT ANALYST

for work on U.S. Stock and Bond portfolios.

Preferably an Economics Graduate with approximately 3 years' experience.

Good salary and working conditions in City-based office.

Please write Box A.6097, Financial Times, 10, Cannon Street, EC4P 4EY

## WILLIAM PRESS GROUP PENSION FUND INVESTMENT MANAGER

This is a new appointment at the London Head Office of the William Press Group.

The function is to manage the rapidly growing pension funds of the Group. Candidates should ideally have several years' experience in the investment field, preferably involving pension funds, and a broad knowledge is required rather than specialisation in one particular aspect. The Investment Manager will be ultimately responsible to the Trustees for the initiation and subsequent execution of investment policy and for building up the research capabilities of the department.

Remuneration will be within the range £7,500 to £9,000 per annum plus annual bonus and pension scheme. Some travel will be required and a Company car will be provided.

Please write, in confidence, to Mr. R. A. Davidson at William Press & Son, Ltd., 28 Essex Street, London WC2R 3AU, giving a résumé of your career to date.

## Major Clearing Bank SENIOR FINANCIAL ACCOUNTANT

London (City)/£9,500-£10,000/Car

A Chartered Accountant, male or female, is required to join a rapidly expanding central financial department. The successful applicant will be responsible for general financial accounting (including group accounts) and other related duties; you will report to senior management.

Applicants, aged 37-42, should preferably have experience in the central financial functions of a major industrial or commercial company, although professional experience as a senior manager in a large firm would be considered.

Initial remuneration in the range £9,500 - £10,000, depending on experience, with attractive fringe benefits including pension scheme. Please apply, giving all relevant details, to Box No. A.6902.

Financial Times, 10, Cannon Street, EC4P 4EY

## BANKING CONSULTANT

required for specialist division of large employment agency. Banking experience plus clear and enthusiastic essential. Based in the City, the position commands a salary of £5,000-£6,000. Male, female. Age immaterial.

### BSB Banking Appointments

121-123 Cannon Street, London EC4N 5AX Telephone 01-423 7313 and 01-423 9141

## STOCKBROKING

GILT SALES c. £15,000

A very able and experienced individual, to 40, is sought, due to internal development, to head the well established gilt dept. of a medium sized expanding firm.

U.K. EQUITIES £7,000-£10,000

A highly motivated person, to 35, with a thorough appreciation of respected research material to join expanding institutional desk of large firm.

INVESTMENT ANALYST £7,000-£10,000

On behalf of two highly reputable medium sized firms we seek two experienced analysts - one to increase research and sales coverage of the Oil sector and the other to expand research into Banks and Insurance companies.

Stephens Selection 23 Dover Street, London W1X 3DA. 01-423 0517 Recruitment Consultants

## STOCKBROKERS

### Senior Clerk

minimum 10 years' general experience required by medium sized London brokers. Salary basis £5,000 p.a. negotiable. Usual fringe benefits. Apply in writing with full details of past career to: Box FT/489, c/o Hanway House, Clark's Place, Bishopsgate, London, EC2N 4BJ.

# CJA

RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 3JN Tel: 01-588 3588 or 01-588 3576 Telex No. 887374

## ASSISTANT MANAGER - CREDIT £6,500-£9,500

INTERNATIONAL CONSORTIUM BANK We invite applications from candidates aged 25-35, who have acquired between 2 and 4 years' experience in Credit work and documentation associated with Eurocurrency credits. The successful candidate will be responsible for regular work on existing medium-term loans, as well as new proposed facilities, etc. A personable manner, plus a flexible Credit review on existing medium-term loans, in the short term is important. Initial salary negotiable. Commercial outlook, sufficient to warrant further promotion. A further vacancy in Credit with similar but lower responsibilities also exists with a salary negotiable £6,000-£7,500 plus fringe benefits. Applications in strict confidence under reference (Assistant Manager - Credit) AMC3808/FT to the Managing Director: CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED, 35 NEW BROAD STREET, LONDON EC2M 3JN - TEL: 01-588 3588 or 01-588 3576 - TELEX: 887374

## Management Auditor - International UK based up to £10,000 + tax benefits

The responsibility of this job is to carry out independent investigations of the financial accounting and operating activities of a major American company. As part of a growing review group, the position reports to the European Financial Controller with the work concentrated on assisting Management to control and make best use of the Company's assets. Working in Europe, the Middle East and South Africa, but based in West London the job will involve spending over 50% of the time away from home. It provides an excellent opportunity to work in American accounting systems and should lead to a long management appointment within 18 months. Candidates should be qualified accountants with a number of years' auditing experience in industry; a knowledge of computer systems will be a distinct advantage. Applications, which will be treated in strict confidence, should contain relevant details of education and salary progress, 25% education and qualifications. Please write to: Dr. J. Bowen (ref. 644/B).

## Deloitte, Haskins & Sells, Management Consultants P.O. Box 207, 128 Queen Victoria Street, London, EC4P 4JX

## Eastern Times

The International Newsweekly

To be published from London from November 1977

Political, financial news and views for the professional and business community world-wide. We are looking for thoroughly experienced men and women to join our editorial team as:

- Assistant Executive Editor
- Writers and Reporters
- Freelance Political and Financial Writers and Reporters
- Sub-Editors
- Correspondents

for different areas in Europe, America, Asia, Africa and Australia

TERMS OF APPOINTMENT NEGOTIABLE.

Please write, with full personal and career details, which will be kept in strict confidence, to:

Abidur Rahman, Editor, Eastern Times, 68 Fleet Street, London EC4Y 1EU Telephone: 01-353 7262

## FINANCIAL AND BUSINESS ANALYST - OIL INDUSTRY c. £6,200 AGE 24-28

An opportunity to join the management team of one of the world's major Oil Companies. This appointment has first level management status and a personal development programme will be designed to encourage a person with ideas and initiative to progress rapidly to senior management post U.K. or overseas. Your initial assignment will provide an awareness and understanding of the primary objectives and activities within the Company and will include investigations, surveys and performance analysis of the world-wide oil sector. Application is invited from newly-qualified Accountants from commerce or the profession and Business Graduates having relevant financial experience. Call now for information and an immediate interview: BOE HIRSH 01-423 2691 OILS ACCOUNTING 89 Bishopsgate, E.C.2 (Consultancy)

## DRAKE ACCOUNTING

## ACCOUNTANCY CHIEF ACCOUNTANT £8,000-£10,000

25-40 with experience in American banking, knowledge of foreign currencies, in full City branch of well established bank.

## TAX ACCOUNTANT £8,000-£10,000

Experienced and able accountant in U.K. set and in all revenue returns to join major international company.

## ACCOUNTANT £6,000

Recent qualified accountant to become involved in live subsidiary companies and to prepare financial and management accounts for various systems.

## TRAINED BANKER £6,000

A splendid opportunity for a newly qualified accountant to join a major bank.

Stephens Selection 23 Dover Street, London W1X 3DA. 01-423 0517 Recruitment Consultants

## INTERNATIONAL BANKING

Included in our growing portfolio of career opportunities with prime name City banks are:-

### LOANS ADMIN. c. £4,500

The essential requirement is that you have sound experience of the admin. of both Sterling and Euro. loans, including the security aspects.

### ACCOUNTING c. £3,500

Responsibilities cover a variety of accounting elements, but with some emphasis on Interest Accrual.

### F/X SETTLEMENTS to £3,000

A superb opening for a professional with a year or so's experience but with clear ambitions to the future and the will to succeed. To discuss these positions in detail, and in the context of your own career objectives, please telephone: either Trevor Williams or John Chivers on 495 7711

DAVID WHITE ASSOCIATES LTD.

## APPOINTMENTS WANTED

## SWISS NATIONAL

reading Zurich, age 26, MA Economics (Cambridge), MBA, with banking, commercial, manufacturing and marketing experience, seeks engagement in banking or commerce with progressive avenue to career. Previous positions with exceptional qualifications and salary: Finance in English, German and French. Reply: 1, Sutherland, 40, Raynham, Norfolk, Cretingham, London, W.2

## FINANCIAL EXECUTIVE

Chartered Accountant, aged 47. Highly successful, commercially oriented with seasoned business judgment. Extensive experience of all aspects of financial management, acquisitions, investment, long-term planning, etc. Seeks greater challenge in financial/general management. Write Box A.6098, Financial Times, 10, Cannon Street, EC4P 4EY.

## LONDON COMMODITY BROKERS require

### FINANCIAL CONTROLLER

Experience is an asset. Drive and initiative more so. Remuneration is negotiable. Write Box A.8100, Financial Times, 10, Cannon Street, EC4P 4EY.

## Headquarters Financial Staff

Following upon internal promotion, a major multi-national Company requires a young Executive to assist the Corporate Financial Management in all facets of the Company's financial affairs which include: international accounting, tax, treasury matters.

Aged about 25, either male or female, applicants should have a sound financial training, a qualification in accountancy would be an advantage, but is not essential. Salary about £6000 p.a. Write in confidence quoting ref. FM30 to:

DAVID SHEPPARD & PARTNERS LTD. 21 Cleveland Place, London SW1Y 6HT

## ACCOUNTANT CENTRAL LONDON up to £6,000

Required by small Publishing Company for all accounting functions. Responsible to Group Accountant. Write Box A.6087, Financial Times, 10, Cannon Street, EC4P 4EY.

## COMPANY NOTICES

## 117 INTERNATIONAL GROWTH FUND S.

Dividend Announcement: A dividend of US dollars 0.16 (16 cents) per share is payable on 15th September 1977 to holders of US dollars 100 (ten cents) per share as from 30th October 1977. Payment against surrender of coupons no. 9 and 10 respectively.

Kreditbank S.A. Luxembourg: 25 Boulevard Royal, Luxembourg.

Midland Bank Limited: International House, Suffolk House, Laurence Pountney Hill, London EC4A 3DU, England.

The Board of Directors

## NOTICE OF MEETING TO THE HOLDERS OF COMMON STOCK

The Board of Directors of the Company has decided to pay a dividend of US dollars 0.16 (16 cents) per share on 15th September 1977 to holders of US dollars 100 (ten cents) per share as from 30th October 1977. Payment against surrender of coupons no. 9 and 10 respectively.

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Handwritten signature or mark at the bottom of the page.



# Technical Page

THUR BENNETT AND TED SCHOETERS

## Remote control of a large group

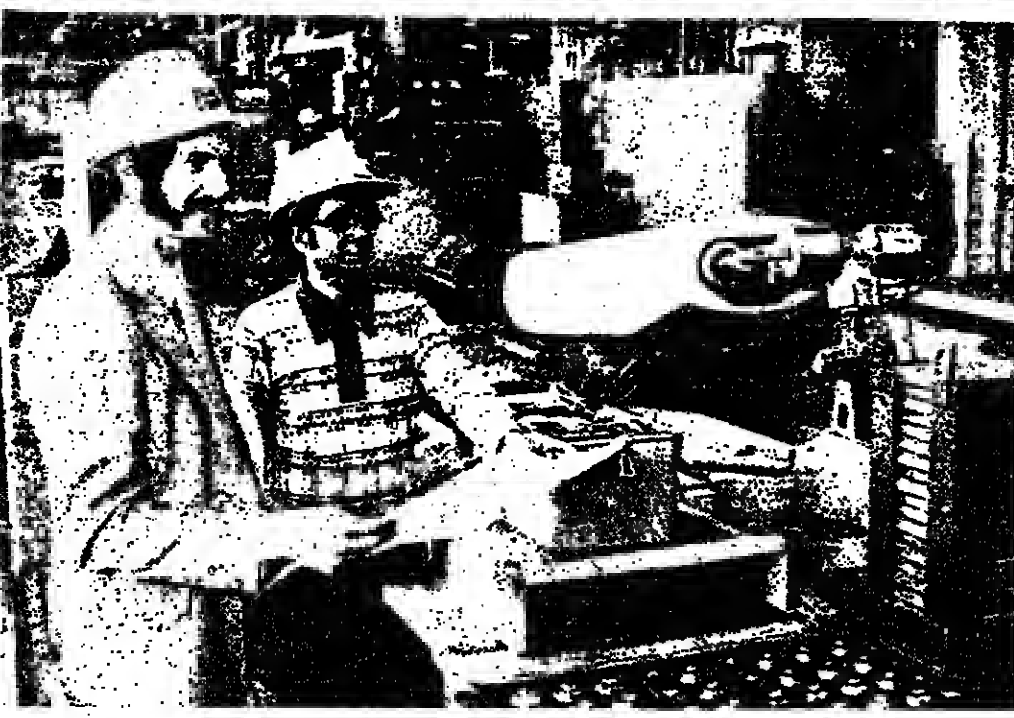
TWO BOEING engineers have recently described moves taking place at the company's Fabrication Division in Seattle which will ultimately result in placing 80 machine tools under the direct control of a series of small computers. These will, however, be housed in an appropriate centre separate from the machine shop floor and thus operators in the best possible conditions for highly reliable performance.

So far some 25 of the machine tools are under computer control, the equipment being supplied by Allen Bradley Co. of Cleveland, Ohio, and called Bulletin 1795 systems. These are built around fast, powerful Interdata 7/32 minis which transmit the instructions to the remote machine tools.

This decision to remove all the electronics from the shop floor, if possible, stemmed from the observation that photo-electric tape readers and spotters as well as the magnetic readers and their tapes were constantly subjected to the effects of oil and cutting fluid mists, fine chips, dusts and so on, frequently at high temperatures. The tapes and their handlers were suffering particularly arduous conditions since a 500-foot strip could be started up and stopped some 12,000 times before the corresponding part was produced.

All this contributed to frequent failures and heavy maintenance charges.

Boeing's concept is a pyramidal one with two part-programming machines at the apex working to two modules linked to the machines. Each module has two 1795s running 20 machines, either through direct instructions to machine controls or through



Threefold increases in metal cutting times have been obtained by adding an industrial robot by Unimation to a vertical milling machine. Prior to its introduction, the miller had an up time of about 20 per cent, and this has been increased to 60 per cent, despite the fact that a variety

### MACHINE TOOLS

## Remote control of a large group

whole railway system. Lot sizes of 200 to 1,000 pieces account for 60 per cent of the work with lots of about 4,000 for the remainder and the robot, which cost \$140,000, is estimated to have paid for itself in 14 months. Telford (0952) 618931.

## MACKLEY PUMPS



Telephone 0632/77237 Ext. 3

Automatic Grinding Machine and Engineering Company, Sabden, near Blackburn, Lancs. (0282) 71338.)

### SAFETY

## Suspension wear test

CAR CHECKWEAR is a device for applying stresses to the steering and suspension components in order to detect wear or damage. Designed and built in Britain, it is patented worldwide.

The machine has two pneumatically powered plates which are fitted one to each of the two platforms on a normal car hoist. The vehicle is positioned with its front wheels in the centre of the plates. A mechanic using a special inspection lamp control operates a thumbswitch causing the plates to move beneath the vehicle's wheels whilst directing the lamp beam at the component under test.

Checkwear enables one mechanic quickly to check suspension instead of the two required in existing methods, and furthermore provides reproducible testing conditions.

Introduction of such equipment in garages should help mechanics in the relatively difficult subjective job of deciding whether there is in DTP terms "excessive wear."

More from Kismet Dynaflex on Bedford (0234) 55211.

## Electron beam unit

ELECTRON beam welding equipment of a new design announced by Torvac, of Histon, Cambridge, is on show at the International Welding Fair at Essen.

Free standing, the unit is housed in a single cabinet. In its standard form it can be driven from a low-power single phase supply. Reliability and simplicity, coupled with easy service are keynotes of the design which uses printed circuits for most of the intercol wiring.

### METALWORKING

## Electron beam unit

The new machine is intended for transducer, instrument and similar manufacturing and is thought to be the most economically priced and to have the lowest running costs available.

Acceleration voltage in standard form is 30kV and maximum beam power is 1kW. Penetration in stainless steel is up to 4 mm.

Further from Torvac at Histon, Cambridge, CB4 4HE, 0220 23 2646.

### POWER

## Reduces heat loss

DOUBLE GLAZING mounted in aluminium extrusions does not provide much heat and sound insulation as it might because of the conductivity of the metal.

Now an aluminium window frame section is available in which the continuity of the metal is broken by insulating pvc extrusions. It is claimed that this insulating layer minimises heat lost by conduction through the metal frame. Another advantage is noise reduction—buildings fitted with the new windows are stated to obtain a reduction in external sound penetration of up to 2 dB.

Available in a variety of

### INSTRUMENTS

## Quick check on noise

INDUSTRIAL sound level checking at two levels of accuracy is provided by a pair of instruments offered by Chubb Panorama, Pyrene House, Sunbury-on-Thames, Middlesex (Sunbury 855883).

Simpler of the two instruments, the FSL10, is an inexpensive pocket-sized device intended for initial survey work and general sound level measurement where specific standards do not have to be met. Housed in a steel case, it reads directly in dBA and operates from a single small radio battery.

The other unit, FSL12, offers a performance to the full industrial grade of BS 3489.

Also available is the FSL20, which is a complete measuring kit containing the instrument itself together with a reference sound source which gives a calibration level of 99 dB at 200 Hz, windshield, spare batteries and wrist strap.

According to AGA, equipment

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## Close check on speed

AN "electronic gearbox" has been developed by Platt Power Transmission for use with its ac motor speed controllers in industrial drives where the ratio between two shaft speeds is critical.

The unit is basically a digital frequency divider built around a series of programmable divid-

## Concertina bottle

DESIGNED for the storage of liquids that would oxidise or deteriorate in contact with air (such as photographic reagents), is a plastic bottle that can be compressed as the liquid is removed.

Made from brown polyethylene

### SOFTWARE

## Military vote for computer

SYSTEMS Designers has developed a portable CORAL 66 software compiler for implementation on the PRIME 300 (mini computer) which has won approval from the Inter Establishment Committee for Computer Applications (IECCA). As a result, PRIME 300 with SDL's compiler is now an approved system for British Ministry of Defence use.

SDL implemented its portable compiler using a PRIME machine housed at the Camberley headquarters of its Advanced Software Group, and in recent stringent tests, showed that the system performed as planned and that the implementation complied fully with the official definition of CORAL 66.

More from SDL on 0276 63471.

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FT45

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Thursday September 29 1977

## An array of subsidies

THE INDUSTRY ACT of 1972 signalled the conversion of the Heath Government to a policy of direct intervention in industry, largely in response to the deteriorating economic situation in the winter of 1972-73. What the Tories could not have expected was that the Act would be used by their Labour successors as the basis for an increasingly elaborate and expensive system of selective assistance to individual companies. Just how extensive the system has become is shown in the latest annual report, published yesterday, of the workings of the Act up to March, 1977. This report does not, of course, deal with the National Enterprise Board, with the Scottish and Welsh Development Agencies, or with other job-preserving measures, such as the temporary employment subsidy, which are also deployed on a selective basis.

### Tabulation

Advocates of selective intervention may feel satisfied that the Government, in a number of different guises, has now become an established source of subsidised finance which industry has learnt to make good use of. But one is bound to ask what concrete benefits to the economy have resulted from all this activity. Perhaps after five years' experience it is time for a full-scale review of what the Act has achieved, rather than the straightforward tabulation of assistance schemes which is contained in the annual report.

The biggest single category of assistance is still the relatively unselective system of Regional Development Grants, designed to encourage industrial investment in areas of high unemployment. But the importance of the selective instruments of the Industry Act, under Section 7 (for assisted areas) and Section 8 (for any part of the country), has been growing. Under Section 8, for example, the present Government has introduced an accelerated project scheme, designed to bring forward investment projects which would otherwise have been deferred, and a selective investment scheme with similar objectives.

On top of these there have been on fewer than eleven sectoral schemes providing aid in such industries as wool textiles, foundries, paper and electronic components. Finally, the Indus-

### Distortions

It may be argued that, while the Government's aid schemes are not about to change the face of British industry, they have some value at the margin; since the cost to the taxpayer is not enormous — the assistance offered under the 11 sectoral schemes last year amounted to £56m. — it is worth persisting with them. But the objections cannot be dismissed as lightly as that. The array of industrial subsidies which now exists is bound to distort the workings of the market economy and to direct attention away from those instruments of policy, of a general rather than a selective nature, which are necessary to make the market economy work better: one example is competition policy, which has been very much downgraded under the present Government in deference to the so-called industrial strategy. If the Government wants a dynamic and competitive private sector, subsidies from the taxpayer are not the way to achieve it.

## Sharing out the textile market

WHEN NEGOTIATIONS on a renewal of the multibre agreement (MFA) broke down in July, it seemed that there was enough common ground between developing and industrialised states to prevent the trade war that both sides feared. The MFA expires at the end of the year and without new arrangements to control the world's textile trade, the prospect was of industrialised states imposing unilateral curbs to have their own textile industries from a flood of competitive Asian and Latin American goods. The compromise formula hit on was that the MFA would be renewed on the basis of participating nations signing a protocol that included a clause permitting importing nations to take protective measures in the event of severe disruption.

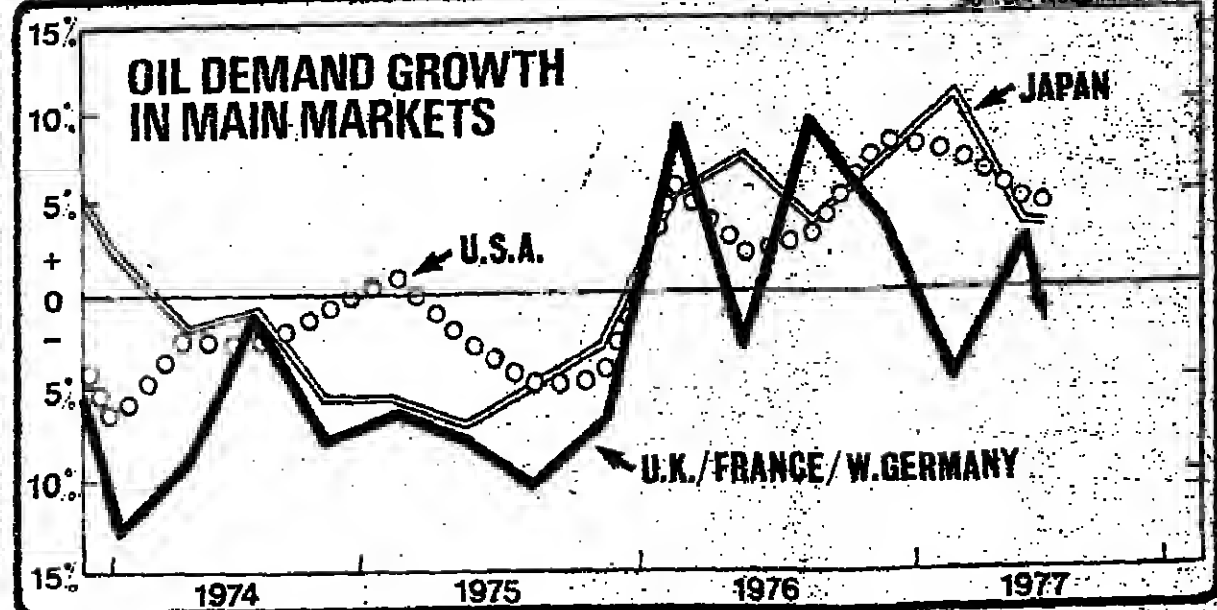
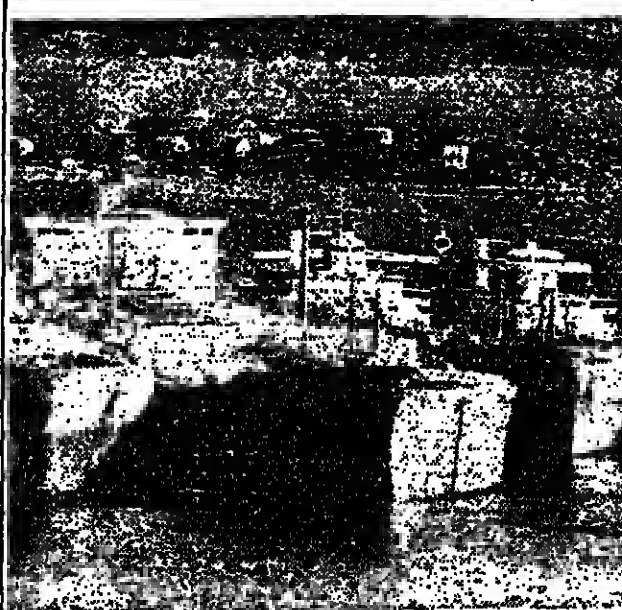
This was accepted by states representing 85 per cent. of the world's textile trade including EEC members and Hong Kong. It was opposed by India and Brazil, which believed that the protection safeguards were specifically aimed at their low cost exports. Indeed only last month Britain slapped restrictions on certain textile imports from India, Egypt and Singapore following a surge in their shipments in the first half of the year.

Since the compromise in July there has been a dramatic turnabout in the attitudes of developing countries. The hurried visit of Sir Murray MacLennan, Governor of Hong Kong, to London and Brussels to express the colony's indignation at what it regards as unfair treatment by the EEC is one sign of it. Sir Murray's protest was prompted by the decision of the Council of Ministers last week to empower the commission to secure cut backs in the quotas granted to Hong Kong, Taiwan and South Korea when negotiating bilateral accords under the MFA.

Larger quotas would instead be granted to developing nations such as India and Brazil. In the eyes of Hong Kong this means that the EEC has not

### Difficult task

There is no clear-cut solution to this dilemma. Half of Hong Kong's exports are in textile goods. Textiles employ half the manufacturing labour force. It would be wrong to inflict unnecessary disruption on them. The EEC has all the negotiating cards in its hands in working out bilateral accords. It has the difficult task of finding a compromise that will satisfy the diverse lobbies of the developing world. This is all the more difficult since a phasing out of the less efficient sectors of the European textile industry depended on a growth rate which contains the unemployment problem.



# From oil glut to drought

BY RAY DAFTER, Energy Correspondent

ENERGY MINISTERS of the main oil consuming countries may be forgiven next week if they feel they are acting King Lear against a backcloth more suited to a West End musical. Meeting under the umbrella of the International Energy Agency in Paris, they will try to inject more urgency into schemes for conserving fuel and developing alternative forms of energy. They will emphasise the impending energy crisis which, without remedial action, could appear in the 1980s. But all this will happen against a background of a current oil glut.

Oil companies prefer to describe the market as slack. Glut, a word favoured by headline writers, is too emotional, they say. However, there is every sign that oil producers and traders have misread the economic signs. That happened in 1974 (partly an over-reaction to the previous year's oil crisis) and, in a lesser extent, in 1975. It has happened again.

### Record stock levels

Production has outstripped demand to a point that oil stocks in certain areas, particularly the U.S.A., have reached record levels. A recent report from the American Petroleum Institute indicated that crude stocks in the week ending August 26 stood at 342.2m. barrels—more than 18 per cent. higher than at the same time last year. The industry would normally hope to enter October with high stocks in readiness for higher winter demand. It is becoming widely accepted in Europe, for instance, that a 90-day stock level at the beginning of the third quarter should provide a safe buffer in case of an early cold snap.

But this year stocks have been building up much sooner than oil companies would have wished. With free world consumption running at about 30m. barrels daily, just two days' worth of extra stocks can unnecessarily tie up \$750m. of industry capital each day.

As a result, premium petrol which was selling for \$142.9 a ton on the Rotterdam spot market in January was available for \$138.2 a ton last month. Low sulphur fuel oil prices, which rose to \$96.9 a ton in February, fell to around \$87 a ton for the five months from April to August.

Little wonder, then, that the sharp end of the oil business motorists are still being wooed with tempting discounts offered on petrol sales in spite of a few months ago to halt the price-cutting war. U.K. petrol sales grew by only 1.5 to 2 per cent. in the first six months, a much slower growth rate than expected.

### Two-tier pricing

There are three reasons for the over-supply of oil. The first can be traced to the curious two-tier pricing structure adopted by members of the Organisation of Petroleum Exporting Countries in January, Saudi Arabia, the main supplier of crude, increased its production in support of its policy to enforce price moderation. Shipping problems then prevented Saudi Arabia from raising output to the maximum; nevertheless in the period January to July its production ran at an average of 9.9m. barrels a day, 13.6 per cent. up on the corresponding period of the previous year. Not to be outmanoeuvred, the majority of OPEC members which favoured the higher 10 per cent. price rise in January subtly threatened their traditional customers with future retaliation if contracted liftings were not maintained.

Consequently South American, African and some of the Middle East producers which had raised prices by 10 per cent. still managed to increase their production in the first seven months of this year. Of the major producers only Iran and Kuwait experienced slight fall in output. Altogether,

OPEC oil production rose 5.3 per cent. in the January-July period to an average of 30.5m. barrels a day. In the event, this increase outpaced the rate of economic recovery within OECD countries.

This leads to the second reason for the glut. Oil companies had over-committed themselves on two fronts. They had anticipated (rightly) that the two-tier pricing system would fall and that there would be some upward adjustment in the next three years or so. After that, when these areas of Arabia and the United Arab Emirates increased prices by a further 5 per cent. on the understanding that the other members of OPEC abandoned their proposed mid-year rise. This brings us to the relevance of the energy ministers' meeting in Paris next Wednesday. There is a serious doubt in the OPEC members' mind whether, in some cases, capable of producing more.

Much will rest in the hands of Saudi Arabia, as Mr. Anthony Wedgwood Benn, the Energy Secretary, points out in the latest issue of the National Coal Board's Coal and Energy Quarterly. By 1978, he writes, Saudi Arabia will have the opportunity to vary oil production between 9m. and 12m. barrels a day. A variation of that order—"the equivalent of at least two North Seas"—could have a major impact on oil prices. It is implied, but not stated, that it would also have a dramatic impact on supplies of these commodities that do, in the 1980s, it could be

warning signals this month we fall. The underlying problem is a lack of understanding of the time-scale involved. It is obvious that the energy ministers' meeting in Paris will be a test of the slow-moving process of oil development. For about when the industrialised world will feel the constraint action so far.

## MEN AND MATTERS

### Kafka's turn in Washington?

Although Johannes Wittegren's tenure of the managing directorship of the IMF does not formally finish until the end of August next year, the latest word from the IMF-World Bank annual meeting in Washington is that ideally he would like to stand down early in the summer.

A decision on his successor is not however expected for another six months and, in the meantime, speculation and kitemarking continues at the conference itself. As yet there are no clear signs of a determined effort by the less developed countries to put forward their own candidate for a post which hitherto has always been held by a European. But one of the more intriguing names put forward in this connection is that of a Czech-born Brazilian called Kafka-Alexandre, not Franz. The idea of a Kafka running a huge international bureaucracy does not of course have its own name, but he is already an executive director of the fund, a European by birth and training, and an economist of some international repute.

Delio Veta, the man generally credited as being the architect of what used to be termed the Brazilian economic miracle since in earlier days, is another "favoured son" of the Latin American lobby. It is all good clean fun at the moment but there does seem to be agreement on one point, which is that the next managing director had better be a good economist in his own right. This is considered much more important than merely having served as a national finance minister. The IMF headquarters has a greater concentration of economists than anywhere else on earth and, so the argument goes,

### Highland fling

A fairly bibulous view of life in Scotland is shortly to be projected in nearly 30 countries around the world. The British Tourist Authority is co-sponsoring a film called "Water of Life", since the other half of the bill for this half-hour production is being paid by Haig, you can guess what the title refers to. The film's producer, Michael Weizell, describes it as "a kind of whisky travelogue around Scotland"—although the BTA assures me that they are not inviting foreign tourists to fall paralytic in the heather.

The fanciest version was shown to the co-sponsors a few days ago and a premiere is scheduled for late November. One conundrum is finding a narrator with a Scots accent that is not so Scots that he will be unintelligible in places like Wisconsin. It will also be quite tricky translating all the nuances of the film's Highland fridles into nearly ten foreign-language versions.

The ETA chose Haig as their partners in the venture since they are the oldest distillers in Britain, having started up in 1827 when whisky was sold in hoppers' shops as a medicine. But the whisky men keep their heads low, and will only be mentioned once in the commentary. The film has been made by a company called Kimm Productions, set up by three TV veterans: newscaster Sonny Gall, film editor Roger Guerrin, and producer-director Weizell. In the course of cutting the film, Weizell claims to have made an important musical discovery: "Bacpices sound exactly the same when you run them backwards on the film editing machine as they do going forward." This revelation may not endear him to the SNP.

### French accent

When Pierre Gousseland and Erika Tordjman met at a Park Lane conference this week, they could look back with satisfaction to their first encounter, 14 years ago, in a small Paris office. Gousseland was then manager of the embryonic European business of Amax, the American-based mining corporation; Erika Tordjman was starting her first job as a publicity girl, after attending the Sorbonne and studying English literature at Oxford. On Saturday, Gousseland takes over as the chairman and chief executive of Amax (sales last year, \$1.1bn). Mrs Tordjman, for her part is newly appointed vice-president in charge of the corporation's Nickel Ventures Overseas Inc., and is conducting negotiations for Amax to launch a \$400m. mining programme in New Caledonia which she told me, are close to completion.



"I haven't been happy for years"

For more elderly people, going into a seems like the end of the world. Nevertheless, our headline is a typical quote from one of our residents' letters. The Distressed Gentlefolk's Aid Association, a particular type of Home for a particular type of person. Not just what is implied by the Gentlefolk, in other words, but anyone, man or woman, who will find it a better life than their own. We have 15 Homes in all. Some Residential Nursing Homes. Anyone who needs a Home lacks the necessary financial resources can apply to the DGAA for help. Places are short, because money is short. Donation is urgently required. And please, do not the DGAA when making our Will.

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The hard we fall  
Paradoxically the...  
The underlying pro...  
The DGAA for help...  
Places are short...  
Donation is urgently...  
And please, do not...  
the DGAA when making...  
Help them grow old with dignity



# 100 Finance Ministers can be wrong

Economists and loanphers, both right and when are more powerfully under the world is ruled by Practical men, themselves to be from any intel- some defunct men in authority, in the air, are from some dolier of a few

part of the can- of The General people for whom to world "refa- IMF—or more managing Johannea Witte- ch the argument, those who look a stage villain, in the sufferings For such people, of Baron Scarpia chief of police in ) had said that d gone too far, ld want to argue e adult point of the IMF is ain nor a hero n on back-sliding is first and fore- rganisation of wish to be re- h will therefore e to the balance a conventional of the borrowing indly it is con- cing a balance tional payments ' totally on ad- rge rate adjust- a case it might d and might p shop. Thirdly ly, the managing

real aim is to expand demand by any means possible. The underlying theory, derived after his death from one strand in Keynes's writings, is straightforward. If a country which has high unemployment, figures has had an output growth of say 2 per cent, then this excess unemployment is treated as a sign that



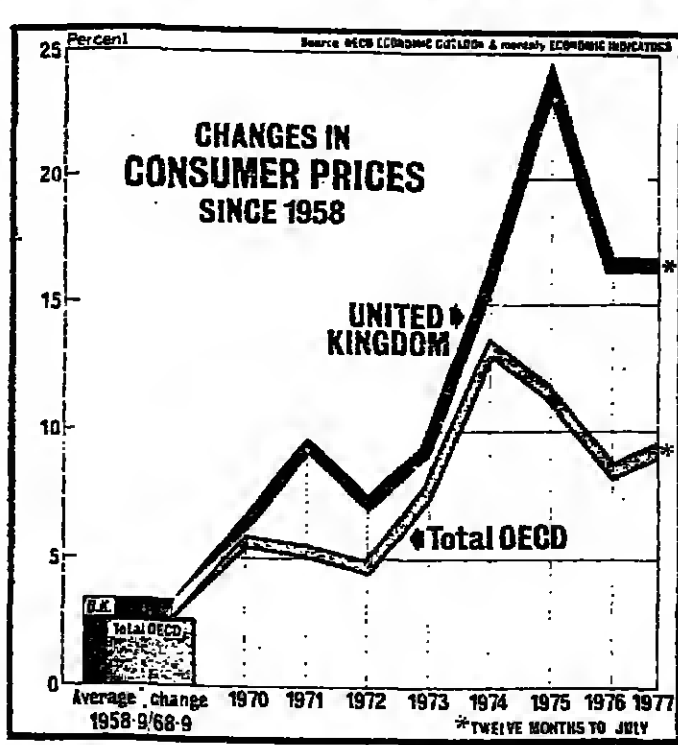
The IMF's Dr. Witteveen.

growth ought to be, say 5 per cent. Therefore "demand" must be boosted to raise the growth rate by another 3 per cent. Basically it is as simple as that. One can argue about how quickly a shortfall should be made up, or what means should be used to do so, or about how to predict the likely growth rate with and without a boom. These exercises give a veneer of sophistication and employ many forecasters and

take much time. But the underlying principle is just to boost demand to make up any shortfall between actual and desired levels of output and employment. I should know, because I was a convinced advocate of demand management, which I expounded in *The Treasury Under The Tories*, published in 1984, when inflation was 3 or 4 per cent, and expounded and criticised in *Steering the Economy*, published in 1971. For in the intervening period of the late 1960s I lost all belief in such policies. This was partly because of experience and partly because the writings of non-mainstream economists convinced me that a boost to monetary demand could raise output and employment only so long as people did not realise what was happening—or in the horrible jargon were suffering from "money illusion."

There is still room for much argument about the details of how this occurs; but the record shows very clearly that the demand boosts of the late 1960s and 1970s—partly intended and partly a by-product of the disintegration of the Bretton Woods Monetary System—had their main impact in raising inflation rates to double figures. In nearly all countries, unemployment grew worse, not better.

If the underlying theory of demand management—that output and employment can be permanently raised by boosting the spending—is valid, then the excesses of some of the surplus countries for not "reflating" more are very thin indeed. For instance the German Government often argues that a high proportion of tax cuts will be saved or that regional spending authorities will fail to make full use of increased authorisations.



If these were the only objections then Mr Healey's argument that the scale of the fiscal stimulus should be correspondingly increased would be unanswerable. The real answer to Messrs. Healey, Van Lennep of the OECD and the other demand expansionists is that the kind of boost they seek will not merely lead to a return of soaring inflation, but in the end will make unemployment worse. This is first, because once inflation rises to sufficiently high levels, governments will always put on the brakes; and the further inflation rises, the more strongly the brakes will go on, and the worse the subsequent recession will be. Second, busi-

A fashionable argument for "reflation" is that without an expansion of demand to take the pressure off home industries, protection will grow and grow. Maybe. But if a demand boost merely increases prices and depresses the exchange rate, then the pressures on uncompetitive home industries will not be relieved by "reflation" and the call for protection will re-emerge. Not that protection will help. For if a country's overseas payments are in balance (which is true of any country in the long run and of all countries at any one time) then protection reduces both imports and exports simultaneously and at most transfers the employment pressures from one set of industries to another. Keynes was not quite right to attribute mistaken policies to intellectual error. There are very understandable reasons why demand management should still have appeal for governments. They are in a very genuine dilemma. For the level of unemployment consistent not with stability, but merely a stable rate of inflation, is regarded as politically intolerable. So they are inclined to listen to advisers who say that this can be reduced by boosting demand. When demand is boosted and inflation starts to accelerate priorities are altered, and policy is changed to curbing inflation, irrespective of the unemployment cost.

This is not a question of merely faulty forecasting or ill-timed intervention. There is no "level of demand" which if only policy-makers could reach it, would simultaneously give satisfactory employment and non-accelerating inflation. But, since accelerating inflation will eventually hurt employment, there is no way at all of achiev-

ing employment aims by the kinds of global measures being discussed in Washington. Is the industrial world then doomed to take off into even higher rates of inflation than the low teens which prevailed in 1974-75 (when the British rate soared to nearly 25 per cent, followed perhaps by the collapse of democracy, all because world leaders have now fallen victim to the out-dated radicalism of immediate overseas payments are in balance (which is true of any country in the long run and of all countries at any one time) then protection reduces both imports and exports simultaneously and at most transfers the employment pressures from one set of industries to another. Keynes was not quite right to attribute mistaken policies to intellectual error. There are very understandable reasons why demand management should still have appeal for governments. They are in a very genuine dilemma. For the level of unemployment consistent not with stability, but merely a stable rate of inflation, is regarded as politically intolerable. So they are inclined to listen to advisers who say that this can be reduced by boosting demand. When demand is boosted and inflation starts to accelerate priorities are altered, and policy is changed to curbing inflation, irrespective of the unemployment cost.

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## Letters to the Editor

**S** Years, sought to establish a waas structure with fair-relativities between men of differing experience and qualifications. In this it has been successful. Furthermore, it has tried to establish a rational way of establishing increases in wages, with emphasis on increasing productivity. In this it has been less successful, solely because of the impossibility of relating the worth of a skilled, highly productive, contracting electrician to the earnings of other trades in the jungle that is most of the rest of the construction industry. J. R. Walker, Kingswood House, 47-51, Sidcup Hill, Sidcup, Kent.

**Bribery fund**  
From Dr. F. Heller.  
Sir—Your report (September 26) on the difficulties facing the Lord Shawcross Commission of Ethical Practices suggests that at least to the transition from the current volume of bribery—to a more manageable situation, it may be necessary to set up an ethical practices fund. Such a fund should be financed by a contribution from major companies that have had to pay out large sums of money to cover these practices and would then be available to reimburse medium sized and smaller companies faced with the dilemma described by your correspondent, Margaret Reid. The cost of the 10,000 bottles of sterile penicillin willfully opened by Customs officials who did not receive the customary bribe would then become a legitimate cost on that fund. It is unlikely that the Customs authorities in question would continue with this practice for more than twelve months, since patients and the medical profession would soon exert the appropriate pressure.

The proposed ethical practices fund could not cover bribes running into millions of pounds, but sums of that kind should provide a useful incentive to large companies to agree on a code which would have the shareholders such enormous unwarranted expenses. Frank Heller, Wood Vale, N.10.

**The winning stack**  
From Mr. N. Wilson.  
Sir—In Mr. Richards's letter of September 24 his calculation (with which I disagree) has prompted me to make my own using standard probability formulae. Chances of a prizeless year for various bondholdings are: £50-£46 in 1,000; £500-£46 in 1,000; £1,000-£46 in 1,000; £2,000-£46 in 1,000; £3,000-£46 in 1,000; £4,000-£46 in 1,000; £5,000-£46 in 1,000; £6,000-£46 in 1,000; £7,000-£46 in 1,000; £8,000-£46 in 1,000; £9,000-£46 in 1,000; £10,000-£46 in 1,000. For our own average stake of £3,928 held for 14 months the chances of a prizeless period were 1.8 in 1,000. Chances of a prizeless year fall rapidly from £5 in £2,000 holdings and then much more slowly so that a £5,000 bondholder has only a slightly smaller chance of avoiding a prizeless year than the holder of £4,000. For £4,000 held for two years the chances are about 1.8 in 100,000.

How real these chances are can only be checked if the Bond Office releases some statistics. Cannot the Bond Office tell us annually (1) how many investors there are with (a) £5-£100, (b) £101-£500, (c) £501-£1,000, (d) £1,001-£1,500, (e) £1,501-£2,000 bondholdings; (2) what was the total value of the prizes won in each of those categories,

and (3) how many investors in each category had prizeless years. Shareholders in a commercial company rightly expect an annual report and meeting and some external check on operations. With a staff of about 2,000 the Bond Office ought to be able to prepare and print a report quite cheaply. Those afflicted by a prizeless year, if chances of a prize are only 3.9 or 1.6 in 1,000, inevitably begin to wonder (in this wicked world) whether their ill-luck is really pure chance. Knowing how many people with similar holdings were in the same boat might reassure them. May I say, with respect to the Director of Savings (also September 24) that an office record conversion designed to throw 1,000 people out of work eventually can properly be described as an office reorganisation. N. W. Wilson, 23, Horsey Road, Worthing.

**Premium bond prizes**  
From Mr. D. Hartbeek.  
Sir—So that your recent contributors on the subject of premium bonds may be aware that there is another side of the coin and also to substantiate the remarks of Mr. Littlewood of the Department of National Savings in the last paragraph of his letter (September 24), I am happy to report a good 3 to 4 per cent (plus) return on £3 invested in premium bonds in 1956, now a capital sum of £153; all windings being ploughed back. D. F. Hardwick, 39, Holden Road, Southborough, Tunbridge Wells, Kent.

**Share options and wages**  
From Mr. N. Hodgson.  
Sir—A certain company recently announced a reasonable increase in its profits. As is usual the directors' interests were listed, showing also shares taken up under an option scheme open only to senior executives. The chairman, inter alia, had acquired 430,100 shares at the agreed price of 46p per share, whereas they were listed on the Stock Exchange at 104p. This stems to give a profit of around £260,000 subject only to capital gains tax. Presumably after a certain interval of time, the shares may be sold and fresh option shares taken up at 46p. This is certainly not illegal, but it is hardly conducive to union co-operation in keeping wage increases down to 10 per cent at yearly intervals. N. B. Hodgson, Antley Abbots, Bridgnorth, Shropshire.

**Machine tool stockists**  
From the Managing Director, RK International Machine Tools.  
Sir—I have read, with considerable interest, your informative survey of European machine tools (September 20), but feel that there was an important omission: as the considerable value of machine tool stockists was not mentioned. The survey refers to the success of British companies in selling imported machines and points to the long term detriment in terms of balance of payments but this has been largely forced upon the majority of machine tool merchants in this country because of the lack of co-operation by many English machine tool manufacturers with the British machine tool merchant. The manufacturers' indifference has encouraged merchants to import machines to fill the

vacuum created in their sales programme by not being able to offer an English machine to an end user. The advantages for the end user in dealing with the machine tool merchant are mainly two-fold inasmuch as they are often able to obtain immediate delivery of machines from the merchant and also to part exchange any redundant machinery. The merchant acts as a "buffer" between the manufacturer and the user and many English manufacturing companies have dealt with the machine tool stockists with a great degree of success.

It would appear, however, that it is now too late for the English manufacturers who did not deal with the machine tool merchant to alter their policy as many merchants have sole distribution lines in this country of imported machines at commercially viable profit margins and would now be reluctant to revert to English manufacturers. M. R. Schwarz, Europa Trading Estate, Fraser Road, Erith, Kent.

**Women at work**  
From Eleanor Macdonald.  
Sir—Sue Cameron's timely article on "Women's place... outside the home" (September 19) high-lighted many negative points about the current status of women at work and the fact that the anti-discrimination legislation is doing very little to alter the status quo. A mass of evidence showing discrimination against women was presented before the legislative process ever drafted. Much that was revealed then is still happening. It is, therefore, both disappointing and frustrating to learn that years later a member of the Equal Opportunities Commission talks about being moderate and not opposing Government departments or organisations. What is there to be moderate about? If there are injustices and discrimination, they should be removed. The legislation is there to accomplish just that. Why, therefore, can it not be implemented?

Women may not come forward and take opportunities as positively as they might, but people, men and women, act as they are expected to act. Women are still expected to fill modest, low-level jobs and it would seem that now, in spite of the Equal Pay Act, they may well get paid less than a man for it. If we want to use a precious resource—brains, creativity, skills: women's as well as men's—we must make it clear that women are wanted and will receive training and rewards.

Women often need transition training, which is aimed at getting them out of the support role, "seen but not heard" approach, which has been drummed into them for generations. Even this effort is often frustrated by managers saying, "women are management calibre they can go on courses with the men and show their mettle"—and then they don't send them. One official reported in the article admitted to being slow. Is there a hope of producing results before the second millennium? If so, it might improve the quality of British management against which there are so many criticisms. Could it be that the very conservatism which makes consideration women more positively such a monumental step, is a reflection of this?

Eleanor Macdonald, (Director EM Courses, Founder of the Women in Management Group), 4, Napieldale Avenue, Craydon.

## To-day's Events

- GENERAL Liberal Party Assembly continues, Brighton.
- Mr. Jack Lynch, Eire Prime Minister, meets Mrs. Margaret Thatcher, Opposition leader, at Irish Embassy, London.
- Mr. Peter Shore, Environment Secretary, and Mr. John Melbrey, CBI director-general, speak at Association of Metropolitan Authorities' annual conference, Bournemouth.
- Organisation for Economic Co-operation and Development's steel committee considers U.S. proposal for permanent international monitoring body for steel trading, Paris.
- Mr. William Whitelaw, deputy Opposition leader, speaks at Conservative Party Northern Area lunch for industrialists, Newcastle upon Tyne.
- Strikers at Lancashire bus and truck factories of British Leyland meet.
- Energy Trends publication from Department of Energy.
- Four-day international symposium of European Transport Ministers ends, Imperial College, S.W.7.
- Election of Lord Mayor, Guildhall, E.C.2, noon.
- Lawn Tennis Association Council meets, London.
- COMPANY MEETINGS Ailsa Investment Trust, Glasgow, 12.30.
- Cook (William) 10.
- Sheffield, Sheffield, 12.
- Crossfields Trust, 8, Crosby Square, E.C.1, 12.40.
- Fitch, Lutell, Connaught Rooms W.C.12, Grand Pier, Weston super Mare, 12.
- Longfin Transport, Stoke on Trent, 12.
- Macarty Pharmacology, Ingatestone, 11.
- Scottish, English and European Textiles, Edinburgh, 12.30.
- Laurence Scott, Norwich, 12.
- Tenens (Howard) Services, Great Western Royal Hotel, W. 11.45.
- Tomkins (F. H.), Great Barr, Birmingham, 12.
- Wason Industrial, Birmingham, 10.

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# COMPANY NEWS + COMMENT

## Scrip and record £4.8m. profit for Bejam

AFTER MORE than doubling from £1.26m. to £2.68m. at halfway, a period which included an abnormal boom occasioned by the drought, pre-tax profit of Bejam Group advanced from £2.44m. for 53 weeks to a record £4.8m. for the 52 weeks to July 2, 1977, and a one-for-one scrip issue is announced.

Mr. J. D. Athorp, chairman, reports that the company experienced extreme good trading conditions in the 52 weeks. As at July 2, 1977, the company operated 132 Freezer Food Centres and two have subsequently been opened.

Current turnover is satisfactory but is not, of course, showing the exceptional growth experienced at this time last year. New stores at Croydon, Eastbourne, Wood Green, Woburn, Crawley, Exeter and Plymouth should be trading by Christmas, he adds.

The directors have decided not to provide for deferred tax where it is unlikely to be payable within the foreseeable future.

Net earnings per 10p share are shown to be 13.70p (10.85p). The net final dividend is 1.63p for a 2.90p total (2.60p) total.

See Lex

### HIGHLIGHTS

First-half profits at Tootal are more than £21m. higher thanks to a sharp increase in the U.K. but the company is nervous about the second-half outlook for the foreign subsidiaries. Bejam is 82 per cent. higher pre-tax but this masks a second-half slowdown and current growth trends look to be less dramatic. Lex also takes a look at the gold sector with the bullion price continuing to press forward. Elsewhere, the recession in the steel sector has left first-half profits at Fosco Minsep slightly lower. At Molins the mid-term setback is even more marked but the company now appears to be over the worst. Meanwhile the downturn in the construction industry finally seems to have caught up with Aberdeen Construction and profits here are marginally lower.

It is expected that the scheme documents will be posted by the end of October. Meetings of holders will take place in November.

## Halftime profit slide for CES

PRE-TAX PROFIT of Combined English Stores Group slumped from £1.15m. to £651,000 in the 28 weeks to August 13, 1977. Turnover was virtually unchanged at £25.95m. compared with £25.9m. last time.

Despite the hefty drop in earnings the directors view the future with confidence. They are "very confident" that results for the remainder of the year will reflect the improved trading conditions now being enjoyed.

Trading conditions in the half just ended were extremely difficult but there was a marked improvement in the last few weeks of the period.

The group is in a strong financial position and further acquisitions are being actively sought both in the U.K. and overseas.

Taxable earnings include a £200,000 profit from the disposal of properties compared with £299,000, and this profit was arrived at after making an £80,000 transfer from the property revaluation reserve.

The interim dividend is 1.335p (1.373p) and during the period 931,405 ordinary shares were allotted in exchange for £408,373 of 21 per cent. unsecured convertible loan stock. No further conversion rights exist. Last year's total dividend was 2.802p from record pre-tax profits of £4m.

Combined English Stores' 38 per cent. profit drop, after stripping out property disposals, can be attributed to the menswear division. Not only did volume at Harry Fenton (menswear) take a sharp knock but it could not even hold its sales in value terms. A decline in profits had been expected in the first half, particularly in the discretionary spending areas where the company is represented. The extent of the setback had not been fully anticipated, but the bullish statement regarding current trading pushed the shares 2p higher to 82p. The bulk of the company's profits come in the second half and retail volume is picking up, and even without a recessionary package in November the outlook for Christmas is encouraging. In the light of the interim setback outside projections for the full year will be shaved down, but the group could still make £41m. this year before property disposals—an increase of a sixth. Maximum yield is 3.4 per cent.

### comment

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## Paper side hits Molins - profit cut

LOSSES IN its paper and packaging machine division have led to a £1.3m. downturn in pre-tax profit of Molins to £2.5m. in the June 30, 1977, six months.

In their report for the year 1976 the directors predicted profit to be maintained at 1976 levels in the current year, subject to adverse circumstances. The forecast has now been altered, and profits substantially lower than the total taxable earnings of £10.8m. last year are expected.

The tobacco machinery division should have a satisfactory year. And although the low demand level in the paper machinery side is continuing, a reduction in operational costs will significantly cut the rate of loss in the second half, they say.

### comment

Molins' disappointing interim comes as a blow on the company's record and the best that can be said is that the company has not the worst of this year behind it. A workforce cut, paid for in the first half, will hold the second half loss in the depressed paper machinery business to a low level. Meanwhile the more important tobacco machinery division should be able to match last year's second half profits after running into some non-recurring start-up costs in Brazil in the first half. Group pre-tax profits for the year should therefore work out at something over £9m. against £12.2m. in 1976. The interim dividend has been left unchanged despite dividend freedom and there is only a small chance of a sweetener for shareholders at the year's end. The yield on last year's payout is 10 per cent. at 95p down 9p yesterday.

### SAATCHI & SAATCHI

Saatchi and Saatchi Compton has announced proposals to reorganise its corporate structure, under which a new holding company will acquire the capital of SSC, except for the 18.9 per cent. owned by Cooption Advertising Incorporated.

Saatchi and Saatchi Company will act as holding company both for SSC and for a new development company to be formed to spearhead developments in advertising-related fields.

The proposals are to be implemented by way of a scheme of arrangement, under which SSC holders will be offered shares in the new holding company on a one-for-one basis.

## Beckman's best ever £1.97m.

AFTER RISING from £0.78m. to £1.5m. at half-time, pre-tax profit of Beckman advanced from £1.68m. to a record £1.97m. for the year ended June 30, 1977.

Stated earnings per 10p share are 10.13p, compared with 8.25p adjusted for the 1976 scrip—the net final dividend is 3.081p (3.211p) for a total of 4.81p (4.711p). The maximum allowed. A further one-for-12 scrip is proposed.

### comment

Beckman has been ideally placed to cope with the textile recession relying, as it does, on short-term contracts—a time when manufacturers, wholesalers and retailers are unwilling to commit themselves to any long distance ahead. Pre-tax profits are up by 17.5 per cent. while margins, assisted by low overheads—the group does none of its own dyeing and printing—have improved 1.3 points to 11.4 per cent. Stock levels have been rising, however—with stock-turn some four times against five times the previous year—while a 13 per cent. increase in turnover is due entirely to price increases. Having been resilient during a recession Beckman may have less spectacular growth to show, by comparison with other textile companies, when the next upturn comes. The shares at 77p give a p/e of 7.3 and a yield of 10 per cent.

## DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corre- div. spnding	Total for year	Total last year
Aberdeen Construct. Int.	1.7	Nov. 15	1.3	—	4.13
Aisprang	1.4	Nov. 15	1.3	—	2.75
Aiva Investment Int.	2.81	Oct. 31	2.44	—	5.3
A. Beckman	3.08	Nov. 25	3.21*	4.88	4.71*
Bejam	1.65	Nov. 13	1.75	2.9	2.6
Breat Chemicals Int.	0.837†	Nov. 8	0.79	—	2.33
Burns-Anderson	1.1	Nov. 15	0.95	1.45	1.3
Combined English Int.	1.54	Nov. 13	0.7	—	1.38
Copides Int.	1.59	Nov. 4	0.7	—	2.34
Fosco Minsep Int.	1.59	Jan. 5	1.69	—	4.1
Gen. & Coman. Inv. Int.	3	Oct. 31	1.75	—	4.85
Hamillhorse	1.1	Nov. 11	0.5	—	1.47
Jersey Electricity Int.	4.0	Nov. 25	4.0	—	11.0
Legal and General Int.	2.06	Jan. 3	1.57	—	5.12
Lydexburg Platinum Int.	0.951	Nov. 11	5.3	2.7	7.2
Minty	1.5	Oct. 29	1.5	—	3.75
Molins	2	Nov. 16	2	—	6.3
Provl. Insurance Int.	5.58†	Oct. 25	5.37	—	11.67
Rustenburg Platinum Int.	NI	—	7.5†	3.5	7.0
Tootal	1.63	Jan. 6	0.8	—	2.4
Thomson T-Lace Int.	1.65	Jan. 9	1.63	—	3.25
Gen. Whitehouse	0.25	Dec. 22	NI	0.42	NI

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issue. †Additional 0.0243077p. ‡Additional 0.0252p. †South African cents throughout. ‡Additional 0.0199p.

## Eastwood looks to second half

ALTHOUGH IT is unlikely that 20 per cent. But as the number of birds produced was higher, the profit contribution was up.

The volume and efficiency of the egg modernisation programme were just beginning to show through in the period from 1.87p to 2.057p net—the total for 1976 was 1.95p. Before expenses, profits of £17m. before expenses, group life business totalled £24m. in the half year against £24.4m. New pensions business totalled a record £88.4m. in 1976.

But for being well advanced in August, broiler margins were down and consequently first-half profit in this sector is expected to be somewhat less than last year.

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## Trust & Agency tax change stymied

Recalcitrant Preference holders, the prospect of its being reduced appear to have put a stop to plans of the Trust and Agency Company of Australasia to change its status. A majority formerly one of the companies in the Preference holders by value the Lawson stable, to change its status also appears to be in favour. However, almost half of the Preference holders by number are opposed to the change, and the directors' extraordinary meeting called to approve the scheme of arrangement under which this change would be implemented, in order to have further discussions with the Agency's Board, failed to pass the resolution. They point out that the choice between the existing 2.5 per cent. dividend on the Preference shares, and the 2.5 per cent. which would be available if proposals were in favour of the proposed change approved. Preference shareholders are invited to inform the company if they support these revised proposals.

## L & G improves to £11m. mid-term

ALTHOUGH STILL showing a loss of £0.9m. underwriting results at Legal and General Assurance Society for the first half of 1977 showed a considerable improvement compared with the loss of £2m. reported for the second half of 1976.

Taking in long-term profits of £2.9m. against £3.4m. for the first half of 1976 and investment income and other income higher at £7.9m. against £6.2m., the first half group pre-tax profit before expenses emerged ahead from £1.6m. to £11m.

Chief executive Mr. R. Peef says that underwriting business in the U.K. showed a small profit at the half year, after the heavy weather and subsidence claims in 1976, and there was a small underwriting loss to Australia.

Underwriting losses were also sustained in certain overseas territories, notably in France and Spain, and although the results of the international reinsurance business cannot yet be assessed, a loss of £1.2m. per share are shown to be up from 4p to 4.37p. The interim dividend is increased from 1.87p to 2.057p net—the total for 1976 was 1.95p. Before expenses, profits of £17m. before expenses, group life business totalled £24m. in the half year against £24.4m. New pensions business totalled a record £88.4m. in 1976.

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## Provincial Insee. grow

Profits for the first half of 1977 at Provincial Insurance Company were £1.5m. to £2.8m. but after tax and minorities, net surplus was only marginally improved at £1.57m. compared with £1.55m. For 1976, the pre-tax figure was £2.5m.

Pig production, although not as profitable as the previous year because of high feed costs, continued to show a satisfactory return on capital invested, and in spite of drought conditions there was a record year in the arable farming division.

There was a net outflow of £2.09m. (£0.8m. inflow). At the end of the year, £2.32m. (£2.35m.) in addition capital projects have been approved, totalling £4.63m. (£0.19m.).

The group's difference of opinion with its auditors, which resulted in the last three years of accounts being qualified, has now been resolved. The group has agreed to incorporate a depreciation charge for certain freehold buildings, which is included in the accounts, but the amount is not material in relation to the overall profit.

Meeting Great Northern Hotel, October 6 at 10.30 a.m.

## MINTY REDUCED AT HALFTIME

Profits of Mintage Manufacturers, full-year underwriting year, which closed at the end of the year, July 30, 1977. The group will produce an underwriting loss, year 1976-77 was £12m. The forecast for the 1976 underwriting year is £12m. The 1976-77 underwriting year is £12m.



- ammonia: nitric acid: ammonium nitrate: calcium ammonium nitrate
- magnesium ammonium nitrate: calcium nitrate: urea: sulphuric acid
- compound fertilizers: phosphoric acid: ammonium phosphate
- superphosphate: triple superphosphate: phenol: melamine: cyclohexanone
- caprolactam: acrylonitrile: sodium cyanide: ethylene: propylene
- polypropylene: methanol: formaldehyde: benzic acid: benzaldehyde
- d,l-phenyl glycine: acetyl caprolactam: benzyl alcohol
- hydroxyl amine sulphate: acetaldoxime: urea: formaldehyde resins
- resins for printing ink production: carbon dioxide: argon
- helium: plastic products: packaging film: inner-wall bricks
- outer-wall bricks: concreteware: stoneware: floor tiles: wall tiles
- concrete building elements: plaster board: ready-made clothing



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**JOSEPH STOCKS & SONS (HOLDINGS) LIMITED**  
(Provision Merchants and Importers)

Extracts from Mr. D. W. Ostienfeld's Statement

In spite of a very difficult year in the bacon trade, added difficulties caused by the hot summer of 1976, and high interest rates, the Company continued to make further progress.

Turnover in the year ended 31st March 1977 was up from £29,641,567 to £35,055,697 and profits reached a new record of £568,376 against £530,370. This progress has been due in no small measure to the policy of the company to reinvesting its profits in the most modern plant and machinery available.

A final dividend of 2.86p per share is recommended, making 3.86p for the year, the maximum increase allowed.

**Re-locating?**

**GMC**

offers a helping hand

with information on property and land availability; with help in claiming government grants and other assistance; with advice on various regulations, planning matters, sources of funds and many other problems.

Have a talk with The Industrial Development Group  
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Telephone 061-247 3311

**RATNERS Jewellers of Reput**

**Another Record Year**  
Extracts from the Chairman's statement—year ended 6th April 1977

- ★ Pre-tax trading profits 52% higher at £1,401,863.
- ★ Earnings per 10p share 19.61p (14.89p).
- ★ Retail sales 32% up at £11,233,646.
- ★ Eleven new branches opened and trading profitably—further five in the current year.
- ★ Expansion into Holland.
- ★ Dividend total for year 1.15p (1.04p) per share.
- ★ Dividend would be at least three times higher if restraints were lifted.
- ★ One for one scrip issue.

**102 Branches throughout the U.K.**



# Verdean Construction is but optimistic

er £1.9m. higher than the profit of Aberdeen Group slipped 77m. in the six months to 30 June 1977. Assessment given at profits would be 10rs say it is likely to will approximate 5m. reported last 2 to the narrowing of the less element has prevailed. Figures include a 500,000 of 1977-78 takes 1,857,000 a net profit of red with 200,000 of £140 previ-

say the maintenance at about the 1st year is encour- with the slightly work in hand and in tendering. Total is expected to last year's £51.9m. liquid position of healthy and that opportunities arise this will be used to group's development at 1977 is planned. have been taken permission for 10 acres of Aber-

ment, on Aberdeen road could 300,000 sq. ft. all necessary ap- lets are obtained begin in 1978, with two years later. methods of financ- are being con- sers say the re- and the ef- profits is wholly he extent of de- accommodation. profit reserves is 1p per 25p share interim dividend red with 1.8 pre- 1977 was 4.125p.

in the U.K. con- at last appears up with Aberdeen 10 pre-tax profit cent, after 26 t in 1976. Profits years have been substantial re- which has out- from around to nil. The debt amme has been profits this time 000 credit from tments against a ture at the same. All the group's produced lower first half due to margin—effect, competition for and bad weather little work was first three months in the value of mostly in share a slightly higher a stage last year id be some im-

improvement in the second half, although margins are still under pressure. Full-year pre-tax profits therefore should be only slightly down on last year's record of £4.58m. A pre-tax figure of £4.1m. would give a p.e. of 4.5 and yield of 8.1 per cent, at 85p which looks very reasonable against the sector.

company's favour in a letter to shareholders. The letter, from company secretary, Mr. A. G. Barrett, says that: "The German litigation referred to in the accounts has so far resulted in the dismissal of a claim against the company of about £27,000. Nevertheless, in respect of the remaining items the claimant maintains a claim of about £300,000 and £75,000 in other proceedings. The company continues to be advised by its lawyers that such remaining claims against it are likely to be as unfounded as the claim which has already been dismissed.

In respect of the bills of exchange referred to in the 1976 accounts as £112,200, the Company was not only successful in the House of Lords but also obtained judgements for a total of £100,611 (which sum includes £5,000 in respect of damages for libel and costs, but excludes interest at the rate of 10 per cent, since various dates in 1977). Judgements against Kammaris, Spinnaker, Bielheim, G.M.B.I.I are now being enforced. The proceedings in Germany are in progress or being instituted."

A final dividend of 0.2547p is proposed making a maximum profit of 0.4172p. The last payment was 0.3735p in respect of 1974-75. After tax of 196,858 1,977.225 credit and an extraordinary credit of £38,867, £127,754 debit, the year's attributable balance emerges at £122,017 against a deficit of 1138,332.

in an interim statement to shareholders they say that non-consolidated subsidiaries also earn significantly higher profits and it is anticipated associated companies will achieve much improved results. Turnover has risen sharply from the levels of 1976 they say, and should this trend continue satisfactory profits are expected in each of the company's activities. This oriental art, fine art, stamp dealing and investment group reported profit before tax of £34,624 in the December 31, 1976, year, and the dividend was 1.815p per 10p share.

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# Total £8.8m. so far

Textile group Total listed taxable profit by £2.6m. to £8.8m. in the July 31, 1977, half year on turnover £27.6m., higher at £180.54m., but the directors feel a cautious view must be taken of the outcome for the second half.

They say group profits continue to rise on an increasingly uncertain world economic climate. A number of overseas companies experienced difficult trading conditions, but these were more than offset by better performance in U.K. operations which were materially helped by a 33 per cent jump in exports.

Improved earnings in the U.K. will be largely dependent on the control of inflation and a sustained rise in retail sales. But it is not easy to forecast when the expected upturn in overseas markets will take place. This is the reason for its cautious attitude to the second half.

Interim dividend is up from 0.8p per 25p share to 0.9p and a 0.032p supplementary dividend declared at last year's AGM will be paid. Last year's annual dividend was 2.4387p.

Mr. Goenka fails to hold Bazaloni seat By James Bartholomew An Extraordinary General Meeting of Walter Bazaloni Group rickie successfully carried a motion to remove Mr. N. P. Goenka (a director of Octavius Steel) from the Board of the company. Bazaloni Holdings, Farnborough, the motions put by Octavius Steel to limit the Board's freedom in regard to the proposed "re-election" of Bazaloni were rejected. The motion in all three votes was 128,410 to 119,463.

Mr. N. C. Lahre, the chairman of Bazaloni, recommended the removal of Mr. Goenka on two grounds. Firstly that, as director of Octavius Steel, he was involved in litigation with Bazaloni. Mr. Lahre said that "serious allegations of misconduct" had been made against Octavius Steel in this connection. Secondly, the public image of Bazaloni would be damaged by Mr. Goenka remaining on the Board since he had been convicted of shoplifting and fined £200.

Mr. Michael Campbell, a solicitor representing Octavius Steel, replied that Mr. Goenka always scrupulously left Board meetings when the litigation arose. He said: "It would be extremely hard for the minority shareholders to be left with no representative on the Board apart from people connected with WOG or the other companies in the scheme."

The Board, now minus Mr. Goenka, is approaching a meeting to elect new independent directors and a statement is expected soon.

Chief of Elys (Wimble-don) will be the disposal of the freehold of the company's main store in Wimble-don, which is likely to be completed in the near future, and the introduction of the six-day trading week commencing October 1, 1977. The interim results for the 26 weeks to July 30, 1977, have already been announced—there was a pre-tax deficit of £9,083 (£2,083 net) and the interim dividend was 0.67p net.

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# Exchange movements hit Fosco

On external sales increased from £1.88m. to £20.75m. pre-tax profits of Fosco Minsop fell from £8.11m. to £7.74m. for the first six months of 1977. The results were adversely affected by exchange rate movements which reduced sales and the surplus by £3.1m. and £0.11m. respectively.

Group sales in the foundry and to the building and construction industries have continued to advance in spite of relatively depressed trading conditions, say the directors. The increased profit arising from this solid progress has virtually overcome the reduction in steel profit caused by the prolonged recession in the steel industry worldwide which is significantly affecting the profit of the group's steel works' activities in most countries.

The technical problems encountered in North America in 1976 have now been essentially overcome, but a return to former levels of profitability will clearly take some time, they add. The Fosmin and Fosspur sectors continue to develop satisfactorily. First half earnings per 25p share are given down at 84p 18.8m, but the interim dividend is stepped up from 1.66p to 1.88p net, raising the interim dividend to 1.88p. For all 1976, 4,087m was paid from £15.7m. record profits.

Fosmin Minsop went to be consolidated a 27m stock and its ability in an increasing profit through the recession maintained the reputation. But now, at last, the prospect of the downturn in the steel industry has moved in much and pre-tax profits for the first half are down 5 per cent. Fosco's experience on the steel side has varied from one country to another but the general downturn in steel in the mature economies and continued growth in developing countries (Korea has profits up a full 22 per cent). The most encouraging features of the results are that Fosmin, which supplies the building industry, is still making progress while the U.S. steel side is being turned round after some management problems. The full year could see pre-tax profits of £16m. or so which puts the shares at 176p. on

Second-half profit up from £208,358 to £222,225 raised the pre-tax figure at Burns-Anderson for the full year to June 30, 1977, from £410,530 to £435,433. Turnover ahead at £13,977m. against £13,811m.

Stated earnings per 10p share advanced from 8.1p to 7p and a final dividend of 1p makes the maximum permitted total of 1.41p (11.3p net, costing £4,819,172,273). A director, who has waived payments totalling £4,879. The tax charge of £2,053 has been reduced and the 1975-76 figure of £26,770 restated, because of a change in accounting policy for deferred tax in respect of stock appreciation relief.

The chairman, Mr. William Burns, says that all sections of the group have contributed to the profit. In a difficult year for industry generally the company has made progress. It now has a wide spread of interests and property and building developments represent a small and deliberately reducing proportion of the company's total activity.

He adds that the company's Fast distribution operating in the north-west is one of the largest in the U.K. and has had a record year. Against the trend, the steel reinforcement activity, serving the construction and engineering industries, has again shown growth.

Overseas, the company is particularly active in the Middle East. Major profitable contracts are being carried out in Bahrain and a local joint venture steel reinforcement factory is now "full stream" serving the expanding Gulf area construction industry.

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# Savilles boost for Brent Chemicals at halfway

Benefiting for the first time from a full contribution from Savilles Hydrochemical Corporation acquired on October 1, 1976, pre-tax profit of Brent Chemicals International advanced from £0.65m. to £1.08m. for the first half of 1977.

The year started strongly and, although it seems that the rate of economic recovery in most parts of the world has slackened, good progress continues to be made, say the directors. SHC is fitting in well with the company's other operations and its long-term prospects are in line with original expectations.

The group is enlarging its scope over the wide range of industrial markets and has a sound financial base. It is well placed to maintain its substantial growth and would obtain major benefits from any improvement in economic conditions, they add. On increased capital stated earnings per 10p share are 1.33p 0.82569225 (0.75p) and an additional 0.0243073 is payable following the reduction in VAT. The year's dividend total was paid from profits of £1.59m.

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# Hamilborne first half upsurge

Reflecting the contribution made by profits on the sale of a holding in Reed and Maltin, taxable profits of brick manufacturers Hamilborne surged from £7,742 to £104,047 on turnover of £224,128 against £160,100 for the first half of 1977.

Due to the nature in which the half year profit was achieved the directors say that the figure for the second half year is unlikely to reach this level. Earnings per 25p share are given as 4.51p (4.24p) and the interim dividend is stepped up from 0.5p to 1.0149p net, including an additional payment of 1.0149p. Last year's total dividend was 1.47p from profits of 25.43p.

Reflecting the severe downturn in touring caravan sales during May and June, profits for the first six months of 1977 of Thomson T-Line Caravans dropped from £90,290 to £58,965, subject to tax of £30,602 against £44,637. Sales were up £127m. in £2.18m.

The directors say that improved design and specification changes have been introduced to their new season's range of caravans and they are confident that 1978 will bring an increase in their share of the market and more satisfactory results. Stated earnings per 25p share were least halved to 1.48p (2.82p), while the interim dividend is increased from 1.625p to 1.65p net costing £25,450 (same)—Ban-lan skin investments has waived payment on 800,000 shares. Last year's total was 3.25p paid from £160,772 profits.

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# Exchange movements hit Fosco

On external sales increased from £1.88m. to £20.75m. pre-tax profits of Fosco Minsop fell from £8.11m. to £7.74m. for the first six months of 1977. The results were adversely affected by exchange rate movements which reduced sales and the surplus by £3.1m. and £0.11m. respectively.

Group sales in the foundry and to the building and construction industries have continued to advance in spite of relatively depressed trading conditions, say the directors. The increased profit arising from this solid progress has virtually overcome the reduction in steel profit caused by the prolonged recession in the steel industry worldwide which is significantly affecting the profit of the group's steel works' activities in most countries.

The technical problems encountered in North America in 1976 have now been essentially overcome, but a return to former levels of profitability will clearly take some time, they add. The Fosmin and Fosspur sectors continue to develop satisfactorily. First half earnings per 25p share are given down at 84p 18.8m, but the interim dividend is stepped up from 1.66p to 1.88p net, raising the interim dividend to 1.88p. For all 1976, 4,087m was paid from £15.7m. record profits.

Fosmin Minsop went to be consolidated a 27m stock and its ability in an increasing profit through the recession maintained the reputation. But now, at last, the prospect of the downturn in the steel industry has moved in much and pre-tax profits for the first half are down 5 per cent. Fosco's experience on the steel side has varied from one country to another but the general downturn in steel in the mature economies and continued growth in developing countries (Korea has profits up a full 22 per cent). The most encouraging features of the results are that Fosmin, which supplies the building industry, is still making progress while the U.S. steel side is being turned round after some management problems. The full year could see pre-tax profits of £16m. or so which puts the shares at 176p. on

Second-half profit up from £208,358 to £222,225 raised the pre-tax figure at Burns-Anderson for the full year to June 30, 1977, from £410,530 to £435,433. Turnover ahead at £13,977m. against £13,811m.

Stated earnings per 10p share advanced from 8.1p to 7p and a final dividend of 1p makes the maximum permitted total of 1.41p (11.3p net, costing £4,819,172,273). A director, who has waived payments totalling £4,879. The tax charge of £2,053 has been reduced and the 1975-76 figure of £26,770 restated, because of a change in accounting policy for deferred tax in respect of stock appreciation relief.

The chairman, Mr. William Burns, says that all sections of the group have contributed to the profit. In a difficult year for industry generally the company has made progress. It now has a wide spread of interests and property and building developments represent a small and deliberately reducing proportion of the company's total activity.

He adds that the company's Fast distribution operating in the north-west is one of the largest in the U.K. and has had a record year. Against the trend, the steel reinforcement activity, serving the construction and engineering industries, has again shown growth.

Overseas, the company is particularly active in the Middle East. Major profitable contracts are being carried out in Bahrain and a local joint venture steel reinforcement factory is now "full stream" serving the expanding Gulf area construction industry.

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# Interim Statement

Chairman Murray Gordon reports

Directors have declared an interim dividend for the financial year ending 28 January 1978, of 1.5357p net (1976/77 1.3750p net), payable on 18 November 1977 to shareholders on the register on 14 October 1977.

The Directors intend to recommend the maximum final dividend allowed under the present Government regulations.

Operating conditions were difficult. Prices rose faster and consequently our discretionary spending was substantially reduced. Unsettled weather in the spring/summer also had a severe effect on our men's wear. There was however a marked improvement in the trading position in the last few weeks of the year and the Directors are very confident that the results for the year of the year will reflect the improved conditions that are now enjoyed.

During the period 851,405 Ordinary shares of 12.5p each were allotted fully paid in exchange for £468,273 of 9½% Unsecured Loan Stock on the exercise of conversion rights by the holders. No further conversion rights exist.

The Group is in a strong financial position and further acquisitions are being actively sought both in the United Kingdom and overseas. The Board views the future with confidence.

Unaudited results for the 28 weeks ended 13 August 1977 were as follows:

	28 weeks ended 13 August 1977	28 weeks ended 14 August 1976	52 weeks ended 29 January 1977
Operating profit	£6000	£6000	£6000





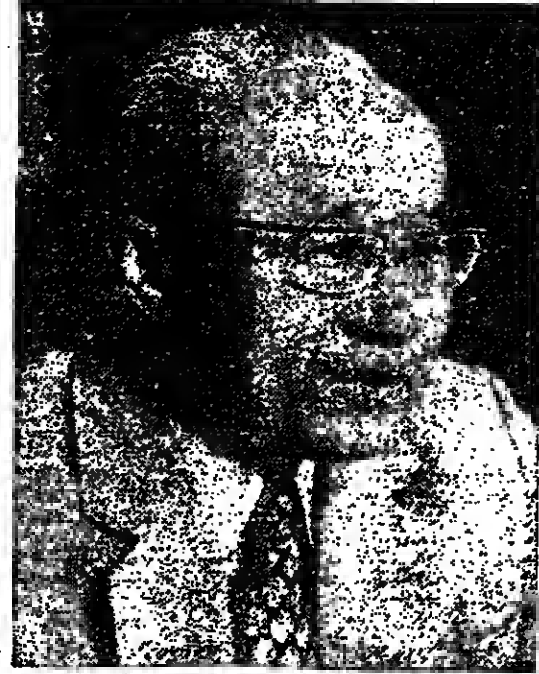


Harmony promote  
al dividend

مكزامن الازهر



# The 1976-77 results of the Sime Darby Group



**"...a year of record results with turnover, profits and assets reaching an all-time high. We look forward to the future with confidence."**

TUN TAN SIEW SIN, Chairman

## The Group results

The Sime Darby Group returned record results for year to 30th June, 1977, reflecting improvements in all subsidiary companies, particularly in its plantation interests which took full advantage of generally high world commodity markets.

Turnover, at M\$1,367,926,000, was the highest ever in the Group's history and exceeded by 17.3 per cent the previous year's figure of M\$1,166,378,000. Operating profit and profit before taxation reached record levels.

Trading profit, at M\$142,267,000, was 14.7 per cent higher than the previous year. Profit before taxation rose to M\$151,434,000, an improvement of 16.3 per cent. Attributable extraordinary profits of M\$942,000 were recorded, against the previous year's M\$1,882,000. The 1977 extraordinary profits principally from sales of land by The Amoy Canning Corporation (Hong Kong) Limited. These ordinary profits increased profit attributable to Sime Darby Holdings Limited to M\$95,480,000.

There was a 20.0 per cent growth in total capital reserves during the year, to M\$740,863,000. Net dividends were reduced 13.9 per cent, from M\$348,000 to M\$303,377,000. The Directors of Sime Darby Holdings Limited recommend a final dividend of 24.0 per cent, compared with 17.5 per cent the previous year. Additionally, the Directors recommend a special dividend of 5.0 per cent to The Amoy Canning Corporation (Hong Kong) Limited's land sales.

Including this special 5.0 per cent dividend, the Directors therefore recommend a total distribution for year of 35.0 per cent gross, compared with the previous year's gross dividend of 26.0 per cent. Commenting on the Group's 1976-77 results, the Chairman of Sime Darby Holdings Limited, Tun Tan Siew Sin, spoke of it as "a year of record results with turnover, profits and assets reaching an all-time high. We look forward to the future with confidence," he added.

The Chairman paid tribute to the Directors, officers and staff of the Group for their determined efforts to minimise the adverse effects of the events leading to the Company's last Annual General Meeting, referring to changes during the year in the membership of its Board. Tun Tan Siew Sin also recorded the Board's appreciation of the leadership and efforts of Mr. J.E. Scott, who resigned from the Board last December. The Board wishes me to record its appreciation of Mr. Scott's significant contribution to the Group, as Chief Executive and then as Chairman. Tun Tan Siew Sin also paid tribute to the work of Mr. K.N. and Dr. Keith Bright, both of whom resigned from the Board during the year.

Mr. Scott was welcomed to the Board by Tunku Ahmad bin Yahaya, Mr. Sixto Roxas and Mr. Wee Cho Yaw. The appointment as a Director of Mr. J.R. Scott, will become Chief Executive on 1st November, looking to the future, Tun Tan Siew Sin said the Group's financial strength provided both the base and the impetus for further growth and development. He said we can look forward to a year in which the Group can build upon its strengths and profitably expand its range of activities.

Sime Darby Holdings Limited			
YEAR TO 30TH JUNE			
	1977	1976	
	M\$000	M\$000	M\$000
TURNOVER	1,367,926	1,166,378	
PROFIT AFTER INTEREST	135,911	118,478	
PROFIT OF ASSOCIATES	15,523	11,681	
PROFIT BEFORE TAXATION	151,434	130,159	
TAXATION	67,532	59,246	
PROFIT AFTER TAXATION	83,902	70,913	
MINORITY INTERESTS	28,384	23,689	
EXTRAORDINARY PROFITS	95,538	47,224	
PROFIT ATTRIBUTABLE	39,942	(1,682)	
PROFIT ATTRIBUTABLE	95,480	45,342	
DIVIDENDS - NET:			
	1977	1976	
Interim	11.0%	8.5%	5,319
Final	24.0%	17.5%	11,833
Special	5.0%		2,485
TOTAL			19,617
PROFIT RETAINED			75,863
EARNINGS PER SHARE			29.0 cts

SUMMARISED CONSOLIDATED BALANCE SHEET AT 30TH JUNE, 1977			
	1977	1976	
	M\$000	M\$000	M\$000
SOURCES OF CAPITAL			
CAPITAL AND RESERVES ATTRIBUTABLE TO:			
Sime Darby Holdings Limited	516,844	440,602	
Minority Shareholders in Subsidiaries	224,019	176,811	
TOTAL CAPITAL AND RESERVES	740,863	617,413	
BORROWINGS - Net of bank balances, cash and deposits			
	80,337	93,348	
DEFERRED TAXATION	4,033	4,313	
TOTAL	825,233	715,074	
EMPLOYMENT OF CAPITAL			
NET CURRENT ASSETS	162,922	117,996	
DEFERRED DEBITS	46,894	-	
INVESTMENTS	13,368	36,592	
ASSOCIATED COMPANIES	65,395	58,685	
SUBSIDIARY COMPANIES NOT CONSOLIDATED	39,807	12,770	
FIXED ASSETS	496,827	481,031	
TOTAL	825,233	715,074	

**The China Engineers (Holdings) Limited**  
Turnover was up 16.1 per cent to HK\$389,231,000. The growth in profit before taxation was even better, with a rise of 69.3 per cent from HK\$30,018,000 to HK\$50,814,000. Extraordinary profits increased from HK\$13,441,000 to HK\$80,728,000 as a result of sales of land by its subsidiary The Amoy Canning Corporation (Hong Kong) Limited. This caused profit attributable to rise markedly to HK\$119,365,000.

**The Amoy Canning Corporation (Hong Kong) Limited**  
Strong trading growth and exceptional extraordinary profits were the highlights of the year to 30th June, 1977. Turnover rose 21.2 per cent from HK\$95,657,000 to HK\$97,361,000 and profit before taxation climbed from HK\$9,045,000 to HK\$9,265,000, a rise of 15.0 per cent. The exceptional extraordinary profit of HK\$153,027,000, resulting from the sales of land, saw profit attributable soar from HK\$8,876,000 to HK\$91,669,000.

**Sime Darby London Limited**  
Commodity trading figures helped push turnover up 19.9 per cent, from £85,164,000 to £102,104,000 in the year to 30th June, 1977. Profit before taxation rose 43.7 per cent from £2,135,000 in the previous year to £3,068,000. A reduction in taxation provisions saw profit after taxation climb more than 300 per cent, from £427,000 to £1,757,000. Profit attributable consequently improved markedly, from a deficit of £132,000 in the previous year to £1,256,000.

## Major public subsidiaries' results

Consolidated Plantations Limited			
YEAR TO 30TH JUNE			
	1977	1976	
	M\$000	M\$000	M\$000
TURNOVER	187,968	155,036	
PROFIT AFTER INTEREST	70,735	53,747	
PROFIT OF ASSOCIATES	-	340	
PROFIT BEFORE TAXATION	70,735	54,087	
TAXATION	31,468	23,477	
PROFIT AFTER TAXATION	39,267	30,610	
MINORITY INTERESTS	220	-	
EXTRAORDINARY PROFITS	39,047	30,810	
PROFIT ATTRIBUTABLE	3,221	1,295	
PROFIT ATTRIBUTABLE	42,268	31,905	
DIVIDENDS - NET:			
	1977	1976	
Interim	35.0%	25.0%	8,347*
Final	85.0%	55.0%	8,010*
TOTAL			23,245
PROFIT RETAINED			15,917
EARNINGS PER SHARE			36.7 cts

The China Engineers (Holdings) Limited			
YEAR TO 30TH JUNE			
	1977	1976	
	HK\$000	HK\$000	HK\$000
TURNOVER	389,231	335,280	
PROFIT BEFORE TAXATION	50,814	30,018	
TAXATION	7,794	2,375	
PROFIT AFTER TAXATION	43,020	27,643	
MINORITY INTERESTS	4,393	2,937	
EXTRAORDINARY PROFITS	38,627	24,706	
PROFIT ATTRIBUTABLE	30,728	13,441	
PROFIT ATTRIBUTABLE	119,355	38,147	
DIVIDENDS:			
	1977	1976	
Interim	3.5%	3.0%	5,055
Final	7.0%	6.0%	9,922
Special	7.0%		9,922
TOTAL			24,899
PROFIT RETAINED			94,456
EARNINGS PER SHARE			27.2 cts

Sime Darby London Limited			
YEAR TO 30TH JUNE			
	1977	1976	
	£000	£000	£000
TURNOVER	102,104	85,164	
PROFIT BEFORE TAXATION	3,068	2,135	
TAXATION	1,311	1,708	
PROFIT AFTER TAXATION	1,757	427	
MINORITY INTERESTS	96	95	
EXTRAORDINARY LOSSES	(1,681)	332	
PROFIT ATTRIBUTABLE	(234)	(285)	
PROFIT ATTRIBUTABLE	1,427	47	
DIVIDENDS - PREFERENCE AND DEFERRED			
	171	179	
PROFIT ATTRIBUTABLE	1,256	(132)	

Tractors Malaysia Berhad			
YEAR TO 30TH JUNE			
	1977	1976	
	M\$000	M\$000	M\$000
TURNOVER	339,487	277,148	
PROFIT BEFORE TAXATION	43,959	42,952	
TAXATION	20,306	19,812	
PROFIT AFTER TAXATION	23,653	23,140	
EXTRAORDINARY PROFITS	-	162	
PROFIT ATTRIBUTABLE	23,653	23,502	
DIVIDENDS - NET:			
	1977	1976	
Interim	10.0%	5.6%	3,840
Final	22.5%	22.5%	8,640
TOTAL			12,480
PROFIT RETAINED			11,173
EARNINGS PER SHARE			36.9 cts

The Amoy Canning Corporation (Hong Kong) Limited			
YEAR TO 30TH JUNE			
	1977	1976	
	HK\$000	HK\$000	HK\$000
TURNOVER	97,361	80,557	
PROFIT BEFORE TAXATION	8,265	8,045	
TAXATION	713	1,170	
PROFIT AFTER TAXATION	8,542	6,875	
EXTRAORDINARY PROFITS	153,027	-	
PROFIT ATTRIBUTABLE	161,569	6,875	
DIVIDENDS:			
	1977	1976	
Interim	15.0%	10.0%	1,500
Final	25.0%	25.0%	2,500
Special	HK\$2 per share		20,000
TOTAL			24,000
PROFIT RETAINED			137,569
EARNINGS PER SHARE			85.4 cts

Write today for a copy of our Annual Report. The Annual Report of Sime Darby Holdings Limited will be available on 24th October, 1977.

If you are not a shareholder and would like to receive a copy, return this coupon to Sime Darby Holdings Limited, Orchard Towers, 400 Orchard Road, Singapore 9.

If you are a shareholder you will automatically receive a copy of the Annual Report.

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Consolidated Plantations Limited

Tractors Malaysia Berhad



INTERNATIONAL FINANCIAL AND COMPANY NEWS

Credito Italiano earns £6.5m. in first half

BY PAUL BETTS

CREDITO Italiano, one of Italy's top five commercial banks and part of the IRI state holding group, has reported a profit of £6.5m. in the first half of the year against a roughly broken even during the same period last year.

ROME, Sept. 28

bank's decision not to grant credits in sectors which now represented too heavy a lending risk. The deteriorating financial situation of most state or semi-state companies here and also of many private concerns is, in effect, now rapidly developing into one of the major problems of Italy's leading and mostly state-controlled banks.

GERMAN NEWS

Construction market recession

by GUY HAWTH

THE WEST GERMAN construction market, which has been in recession for the best part of the decade, still shows no sign of an improvement. Figures from the Federal Republic's largest home builder provide nothing to indicate an early change in the situation.

housing administration sector showed a continued improvement in turnover. Building turnover fell back from DM1.94bn. to DM1.63bn.—a fall of just under 16 per cent compared with the January to August period of 1976. Housing administration turnover, however, rose from DM1.09bn. to DM1.2bn. Turnover in 1976 totalled DM5.4bn. for both sectors, against DM5.5bn. in 1975.

Brown Boveri sales improve

BROWN BOVERI ET CIE, the West German associate of the Swiss electrical group, today reported a fair first-half increase in sales. Orders, said the concern, also showed an improvement on the rather low level of the opening six months of 1977, writes Guy Hawthth.

FRANKFURT, Sept. 28.

State will provide interim aid to KSH

By A. Correspondent

AMSTERDAM, Sept. 28.—ROYAL SCHEUTEN Hout (KSH), the troubled starch products and food group will receive interim financial support from the Government until its appointed supervisory director, Mr. R. Van Heusden has a plan to save as much as possible of KSH's activities.

EUROBONDS

Australia raises DM1 1/2 bn.

By Franck Ghille. AUSTRALIA WILL be raising DM1.25bn. on the West German market of which DM750m. will be in the form of loans and DM500m. in the form of bonds and private placements.

AUSTRALIAN COMPANIES

Hanimex doubles profits

BY JAMES FORTH

HANIMEX Corporation, manufacturer and importer of photographic, electrical and leisure goods, doubled profits to \$44.8m. in 1976-77, largely through a 6.5 cents dividend for several years and this rate was restored this year.

SYDNEY, Sept. 28.

Rousselot bid prospects

THE RECENT bid by Societe Francaise des Petroles BP to acquire 66.7 per cent. of the capital of Societe Rousselot, the major French producer of gelatins, animal proteins and chemicals, is unlikely to go through, AP-DJ reports from Paris.

BP, a unit of British Petroleum, declined to comment, adding that the company had not been informed of any Government decision on the subject. The Rousselot communiqué said that by their absence from the meeting, a number of shareholders want to remind the Board that "any financial operation envisaged with groups other than BP should be preceded by new negotiations in order to preserve the legitimate interests of the personnel and the company's capital."

AMERICAN NEWS

Walter Kidde sells U.S. Lines

BY JOHN WYLES

U.S. LINES, one of America's top three liner companies, has been sold under an agreement in principle to the former owner of the country's largest container ship operator, Sea Land Service Inc.

NEW YORK, Sept. 28. only modest profit figures in recent years—the company's net income in 1976 was \$14.7m. on revenue of \$332.7m. U.S. Lines has a fleet of 38 ships made up of 16 container vessels, eight feeder container ships and 14 break bulk vessels.

BONDI TRADE INDEX

Table with 2 columns: Bond type and Index value. Includes Medium term, Long term, and Convertible.

Change on disclosure

THE SEC has proposed changes in its disclosure rules that concern relations between accountants and their client corporations. AP-DJ reports from Washington.

Ford earnings outlook fair

FORD MOTOR Company will have a fairly good earnings prospect through to the first half of 1978, Ford president Lee A. Iacocca said following a presentation to a group of financial writers. Reuter reports from New York.

Crédit Lyonnais Negotiable Floating Rate U.S. Dollar Certificates of Deposit. Maturity date 29 September 1980. Agent Bank The Chase Manhattan Bank N.A., London.

Weekly net asset value on September 26th, 1977. Tokyo Pacific Holdings N.V. U.S. \$ 39.73. Tokyo Pacific Holdings (Seaboard) N.V. U.S. \$ 28.96.

VONTOBEL EUROBOND INDICES table with columns for Price Index, Yield, and various bond types.

Hapoalim International N.V. Guaranteed Floating Rate Notes Due 1982. Payment of principal and interest unconditionally guaranteed by Bank Hapoalim B.M.

Ansett gain of 20%

ANSETT TRANSPORT Industries, the airline, road and freight transport, hotel and tourist, manufacturing and television group, lifted earnings almost 20 per cent. from \$514.4m. to \$617.5m. with non-aviation activities contributing most of the improvements.

Full recovery at Nicholas

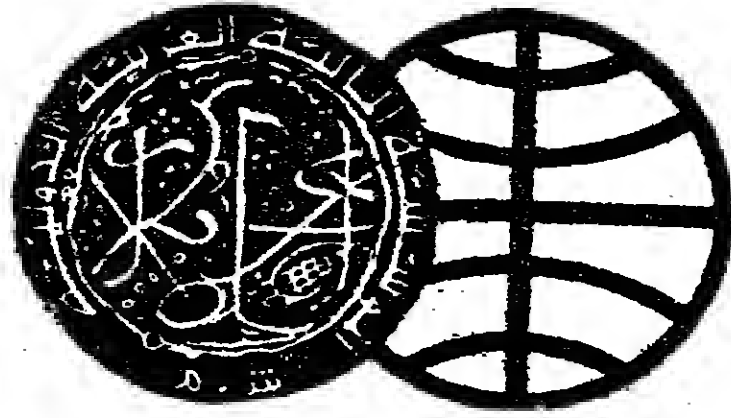
NICHOLAS INTERNATIONAL, the Aspro group, maker of medical, pharmaceutical and toiletry products, lifted profit 13.7 per cent. from \$83.7m. to \$95.1m. in the year to June, writes James Forth.

You know your business. We know Saudi Arabia. Let's pool our knowledge.

AL SAUDI BANQUE 49/51 Avenue George V 75008 Paris, France. Telephone: 208608 Telex 630349F. REPRESENTATIVE OFFICE: Stock Exchange, Old Broad Street, London EC2N 1HH.

Foseco Minsep (LIMITED) Interim Results for the six months ended 30th June 1977. Summary of Results table with columns for Sales, Profit, Dividend, etc.





# Arab Finance Group

## Announces that:

In line with the policy of promoting Arab private investment, an agreement was recently reached among the original shareholders of Arab Finance Corporation (International) under which their shares were purchased and a new shareholders group formed consisting of private Arab investors from Saudi Arabia, Kuwait, the Gulf and other Arab countries.

It should be stressed however that although participation in the capital of Arab Finance Corporation (International) is being restricted to Arab private shareholders, the Arab Finance Group continues to adhere to its open policy of associating with prime international institutions through their participation in the capital of its operating vehicles.

The Group's objective is to establish a network of operating affiliates in the areas of banking, finance, real estate, industry, etc. In each of these areas, capital will be supplied to the operating companies by a holding company specializing in that field. At present, the Group comprises the following three holding companies, all of them incorporated in Luxembourg:

On the 26th of July 1977, the Extraordinary meeting of the shareholders increased the authorized capital from \$US5,000,000 to \$US100,000,000 and, on same date the Board of Directors decided to proceed to a first subscription of \$US20,000,000 divided into 200,000 shares.

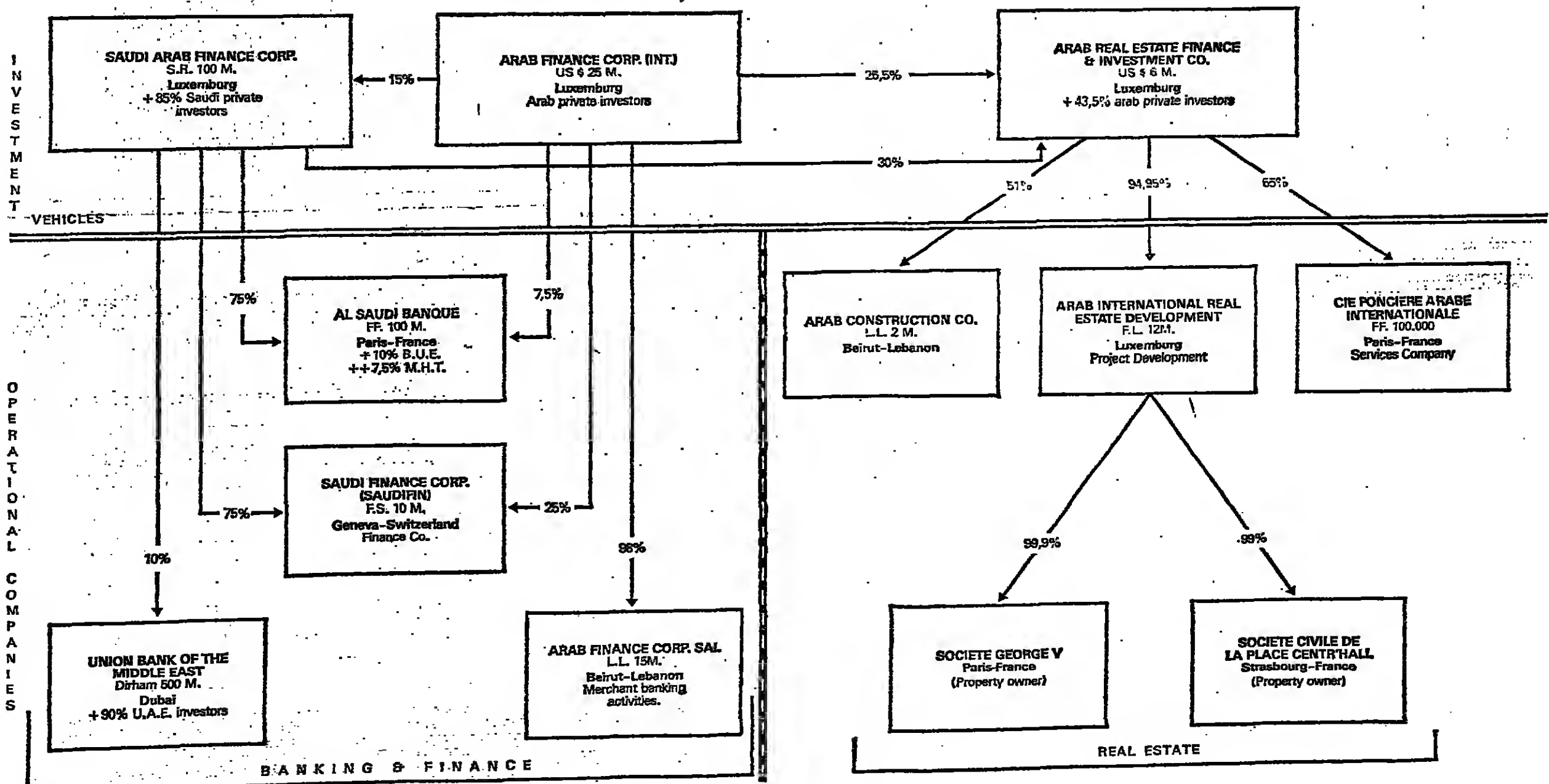
(2) SAUDI ARAB FINANCE CORPORATION (SAFICO) with an authorized capital of SR100 million, half of which was paid-up and the second half was called for payment on the 4th quarter of 1977. With the exception of AFC (I)'s participation of 15% of Safico's capital, all its shareholders are Saudi private investors.

(3) ARAB REAL ESTATE FINANCE & INVESTMENT CO. (AREFI) whose special vocation is in real estate development, has a fully paid-up capital of \$US6 million, half of which is shared by AFC(I) and Safico, and the balance by Arab private investors.

These three holding companies have established a number of operating affiliates, the structure of which is illustrated in the following Chart.

The Chairman  
Dr. Chafic Akhras

(1) ARAB FINANCE CORPORATION (INTERNATIONAL) AFC(I) which groups private investors from several Arab countries as explained above.



+ Banque de l'Union Européenne ++ Manufacturers' Hanover Trust Co.







DR Lombard

BOOKS

Historical cuttings in golden era BY C. P. SNOW

Country Parsons by Colman Constable, 28 pages... position of a clergyman in the 19th century...

most of them excessively feeling and without being troubled by a single doubt, and in his spare time with an international reputation for observations on spiders...

Long slaves BY MARTIN SEYMOUR-SMITH

My Country by Herbert Pan Books, 468 pages... Love by Shirley Ann Hamish Hamilton, £3.95...

section of the Aborigine; but he now moves on to the period of the 1830s and early 1940s. The chief character is Prindy, a quarter-caste Aborigine whose goal is to be initiated into full membership in the Cult of the Rainbow Snake...

ECONOMIC INDICATORS

C ACTIVITY—Indices of industrial production, manufacturing orders, retail sales volume (1970=100)...

Table with 10 columns: Ind. prod., Mfg. output, Eng. order, Retail vol., Retail value, Unemp. played, Vac. na, ua. Rows show data for 1976, 1977, and 1978.

TRADE—Indices of export and import volume (1970=100); exchange reserves.

Table with 6 columns: Exports, Imports, Reserves, etc. Rows show data for 1976, 1977, and 1978.

M—Money supply M1 and sterling M3; bank advances to the private sector...

Table with 6 columns: M1, M3, Advances, etc. Rows show data for 1976, 1977, and 1978.

V—Indices of earnings, basic materials and fuels, prices of manufactured products (1970=100)...

Table with 6 columns: Earnings, Materials, Fuels, etc. Rows show data for 1976, 1977, and 1978.

Camera man BY JOHN CHITTOCK

William Henry Fox Talbot: Pioneer of Photography and Man of Science by H. J. P. Arnold, Hutchinson Benham, £13.50, 383 pages...

Not many individuals in history have been distinguished in philosophy, mathematics, botany, astronomy, physics, printing, chemistry, aspects of ancient history and the English language and art. Even fewer can add to that the claim of inventing one of the 20th century art forms—photography...



Fox Talbot: a daguerreotype of the pioneer photographer by Claudet in 1845

Camera man

BY JOHN CHITTOCK

people around with competing claims to fame—in particular, one Louis Jacques M. J. M. Niepce, who published his own photographic system over two weeks before Talbot on January 6, 1839...

Rain in Spain

BY IAN DAVIDSON

The Spanish Tragedy by Raymond Carr, Weidenfeld and Nicolson, £10.00, 336 pages...

This century, there have been two main phases of political thought. The primary phase has been the dialectic between Communism and what may loosely be described as fascism...

Unrequited loves confessed

BY RACHEL BILLINGTON

forefront of the great stampede towards Woman's Rights has never totally disappeared under the name of Liberation...

Rebel on two wheels

BY BRIAN AGER

Phil Read, The Real Story by Phil Read and Grammie Wright, MacDonald and Jane's, £4.25, 192 pages...

Bumpy ride

BY ALAN PRYCE-JONES

The Journey by Cecilia Sternberg, Collins, £5.00, 576 pages...

The Tallon Chandlers of London Vol. II

"Ebb and Flow" RANDALL MONIER-WILLIAMS

The fourth and final volume in this definitive history of the Worshipful Company of Tallon Chandlers...



# WALL STREET + OVERSEAS MARKETS + LATEST PRICES

## Sw. franc firmer

# Little change in sluggish trading

BY OUR WALL STREET CORRESPONDENT

LITTLE CHANGE was recorded in sluggish trading on Wall Street today following worries about the economy and another big rise in the possibility of another big rise in oil prices.

Closing prices and market reports were not available for this edition.

Several companies, including Bayer AG offer of at least \$40 million for the company's shares. IBM rose \$1 to \$260, while Burroughs moved up \$14 to \$699 on a raised dividend.

French shares rose but U.K. issues declined slightly, while German stocks were mixed. U.S. and Dutch stocks declined but Canadian shares rose.

Swiss franc advanced again in the foreign exchange market yesterday following the announcement of restrictions on forward sales of the currency.

London's FTSE 100 index rose 1.77 points to 858.81, compared with 857.04 yesterday.

There was some portfolio liquidation of some recently weak issues by large institutions.

Dr. Arthur Burns, Federal Reserve Board chairman, today expressed concern about the rapid growth of money supply.

Miles Laboratories soared \$11 to \$411 after trading resumed in the market.

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## GOLD MARKET

Table with columns for Gold Bullion, Gold Coins, and Gold Bars, listing prices in various currencies.

## FOREIGN EXCHANGES

Table showing exchange rates for various currencies including New York, London, and other international locations.

## OTHER MARKETS

Table listing prices for various commodities and financial instruments such as oil, sugar, and bonds.

## TUESDAY'S ACTIVE STOCKS

Table listing active stocks on Tuesday, including company names and their respective prices.

## OTHER MARKETS

Table listing prices for various commodities and financial instruments such as oil, sugar, and bonds.

## Indices

Table showing major stock indices like the Dow Jones Industrial Average and others.

## STANDARD AND POORS

Table listing Standard and Poors ratings for various companies.

## OVERSEAS SHARE INFORMATION

Large table providing detailed information on overseas share prices and movements across various international markets.

## NEW YORK - DOW JONES

Table showing the performance of the Dow Jones Industrial Average and other key indices.

## MONTEREAL

Table listing stock prices and market activity in Montreal.

## TORONTO

Table listing stock prices and market activity in Toronto.

## JOHANNESBURG

Table listing stock prices and market activity in Johannesburg.

## AMSTERDAM

Table listing stock prices and market activity in Amsterdam.

## BRUSSELS

Table listing stock prices and market activity in Brussels.

## PARIS

Table listing stock prices and market activity in Paris.

## BERLIN

Table listing stock prices and market activity in Berlin.

## FRANKFURT

Table listing stock prices and market activity in Frankfurt.

## STOCKHOLM

Table listing stock prices and market activity in Stockholm.

## MILAN

Table listing stock prices and market activity in Milan.

## NEW YORK, Sept. 28

MILAN—Easier around the day's lows on renewed selling pressure. Bonds were steady in quiet trading.

Gold shares were higher, reflecting overseas interest gains in "heavyweights" ranged up to 75 cents and other shares between 5 and 20 cents.

Financial markets were quiet. Coppers were quiet while platinum lost ground following year-end results.

TOKYO—Further improvement with active selective buying spreading over a wide front. Volume 280m. 1180ml. shares.

Blue Chips and popular issues headed the rise. Fuji Photo Firm added 1/4 at 1720 on anticipated good earnings prospect.

But Yokohama Rubber continued lower on its fears of a sharp decline in profits this year, due to its defective tyre problems.

Mitsumi Electric also lost sharply on the 75 cent fall in first half year after tax reported between 100 and 150 yen.

Yokohama Lines shed 1/2 to 2350 following a crash in Malaysia and a hijack over India.

HONG KONG—Closed yesterday following Mid-Autumn Festival. Australian—Slightly higher on Government moves to bolster the dollar.

BNP gained 1/4 to \$45.34 on its improved oil prospects. Banks were generally firmer, with Citicorp gaining 3 cents to \$43.00.

National City rose 1/2 to \$11.00. Hamilton rose 1/2 to \$11.00. CNA fell 1/2 to \$11.00.

## CURRENCY RATES

Table showing currency rates for various international locations including London, Paris, and others.

## EXCHANGE CROSS-RATES

Table showing cross-rates between different currencies.

## EURO-CURRENCY INTEREST RATES

Table showing interest rates for various Euro-currency deposits.

## TOKYO

Table listing stock prices and market activity in Tokyo.

## AMSTERDAM

Table listing stock prices and market activity in Amsterdam.

## BRUSSELS/LUXEMBOURG

Table listing stock prices and market activity in Brussels and Luxembourg.

## PARIS

Table listing stock prices and market activity in Paris.

## BERLIN

Table listing stock prices and market activity in Berlin.

## FRANKFURT

Table listing stock prices and market activity in Frankfurt.

## STOCKHOLM

Table listing stock prices and market activity in Stockholm.

## SWITZERLAND

Table listing stock prices and market activity in Switzerland.

## MILAN

Table listing stock prices and market activity in Milan.

## VIENNA

Table listing stock prices and market activity in Vienna.

## COPENHAGEN

Table listing stock prices and market activity in Copenhagen.

## AMSTERDAM

Table listing stock prices and market activity in Amsterdam.

## BRUSSELS

Table listing stock prices and market activity in Brussels.

## PARIS

Table listing stock prices and market activity in Paris.

## BERLIN

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## FRANKFURT

Table listing stock prices and market activity in Frankfurt.

## STOCKHOLM

Table listing stock prices and market activity in Stockholm.

## MILAN

Table listing stock prices and market activity in Milan.

## VIENNA

Table listing stock prices and market activity in Vienna.

## COPENHAGEN

Table listing stock prices and market activity in Copenhagen.

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Franc firmen

# FINANCIAL TIMES SURVEY

Thursday, September 29 1977

مكزامن الاحصل

# Flanders

Linguistic and cultural problems still abound between Belgium's two communities—Flanders and Wallonia—to say nothing of the question of francophone Brussels situated within Dutch-speaking Flanders. But the signs are that Flanders' influence—politically and economically—is on the increase.

place

There is already a certain amount of linguistic and cultural autonomy, to the satisfaction of the Flemish. But it has been a long and uphill haul for them to win official parity for their language with the world language of French. Much cited in Flemish political folklore was the 19th century execution for murder of two Flemings almost certainly wrongly convicted because they were tried in a French they did not understand. The legacy of the promise by German occupiers during both world wars for more autonomy for Flanders is that some 5,000-6,000 Flemings to-day still have no voting rights, and some 30,000 are denied State pensions. For "collaboration," say the Walloons: the result of a linguistic "witch hunt" by the Walloons, say the Flemish. The tensions linger on—though it is ten years since there was a striking Walloons in proper language riot and the Flemish now have equal status for Dutch, control their own education, require that all companies in Flanders do their official business in Dutch, and so on.

Indeed in what remains of the mid Belgian unitary state, Flanders has now won its place in the sun. With the bulk of the population and industry Flanders is Belgium's predominant economic region. Henry Kissinger in his study of post Napoleonic Europe called Antwerp, (Flanders' biggest city) "the centrepiece of Europe," and for Flanders as a whole, its central "EEC" position with easy access to the sea what they see as the economic constraints of the unitary state, especially one in which the Flemish may now predominate. To some Flemings, Wallonia a whole to be more middle of the road than their more left-wing Walloon counterparts—have helped attract foreign investment and the newer industries and win a high average income for Flemish workers. Though these gains are threatened by the current economic depression, Flanders is no longer just a land of painters, strip farmers and professional cyclists. All this has translated into political power—so that Flanders has now provided its second successive Belgian Prime Minister. Belgium is beginning to turn a Flemish face to the world: in 1974 a Fleming became for the first time a Belgian Foreign Minister.

Much has been done to accommodate the aspirations of both linguistic communities, down to separate TV networks and linguistically drawn church diocese boundaries. But the present state of devolution in Belgium is a muddle, and lopsided. While education and cultural budgets are governed very largely by the decisions of the French and Flemish Cultural Councils, the economic affairs budget is still mainly nationally set. The real push against this half-way house towards devolution comes from the Walloons. With no need for cultural protection, they do want to get out from under

what they see as the economic constraints of the unitary state, especially one in which the Flemish may now predominate. To some Flemings, Wallonia a whole to be more middle of the road than their more left-wing Walloon counterparts—have helped attract foreign investment and the newer industries and win a high average income for Flemish workers. Though these gains are threatened by the current economic depression, Flanders is no longer just a land of painters, strip farmers and professional cyclists. All this has translated into political power—so that Flanders has now provided its second successive Belgian Prime Minister. Belgium is beginning to turn a Flemish face to the world: in 1974 a Fleming became for the first time a Belgian Foreign Minister.

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for four year terms, responsible for all regional economic problems, able to raise their own loans, though initially financed by Central Government block grants, which will increase as GNP rises. To sort out all the jurisdictional headaches, Belgium will get a Supreme Court. But the compromise on Brussels is the string that ties the package together. Brussels is set in Flanders, and the Flemish have long hated the inexorable way in which the "oil stain" of the francophone majority in Brussels has spread out into Flemish suburbs and countryside. By the new agreement the limits of Brussels are to be set at those of the present 18 communes, to assuage Flemish fears. But in return, the Flemish lose their equal status with French in the capital, and those French speakers in the communes outside the city will be able to maintain fictitious addresses in the city and to be taxed, baptised, tried and able to vote in national elections in the city itself.

This last, many Flemings point out, is a concession over granted to Flemish speakers in Wallonia. And it is in Flanders that the rumblings are growing: the quiet in Wallonia is taken as evidence that the vital concessions have all been made. To implement the whole deal may take as long as eight years, given that constitutional revisions can only be elected by universal suffrage, passed by the next parliament

BASIC STATISTICS		
	Belgium	Flanders
Population	9,813,152	5,334,967
Area (sq. km.)	30,513	13,509
Population density (sq. km.)	322	411
Gross domestic product (B.Frs.bn.)	1,866	1,027
Investment in industry (B.Frs.bn.)	118	68
Exchange rate	£1 = B.Frs.62.50	

d Buchan

same house, but in "oms." That is how relationship between two main linguistic s — Dutch-speaking in the north and king Walloons. in is shaping up. The n union is not com. Neither community divorce. But both certain of their ad to be pursued Following the April, al election and the formation of the ition Government of ister Leo Tindemans Fleming), the aim by the mid-1960s a Belgium of three ind political regions Wallonia and the pital of Brussels with hone majority—and tic communities:

Coalition Prime Minister Tindemans took 47 days after his April 17 election victory to announce a coalition with his own Flemish Social Christian Party plus its French speaking wing, the two linguistic wings of the socialists, and the FDF, which represents the Brussels French speakers, and the Volksunie, the Flemish nationalists. The crucial plank in the coalition's platform is the regionalisation plan. Entailing extensive constitutional revisions, this plan will among other changes give the senate a regional make up, drawn from the Community Councils—Flemish or French speaking. These councils exist already, but their powers will be increased. The real innovation is the creation of three regional councils, directly elected by universal suffrage,

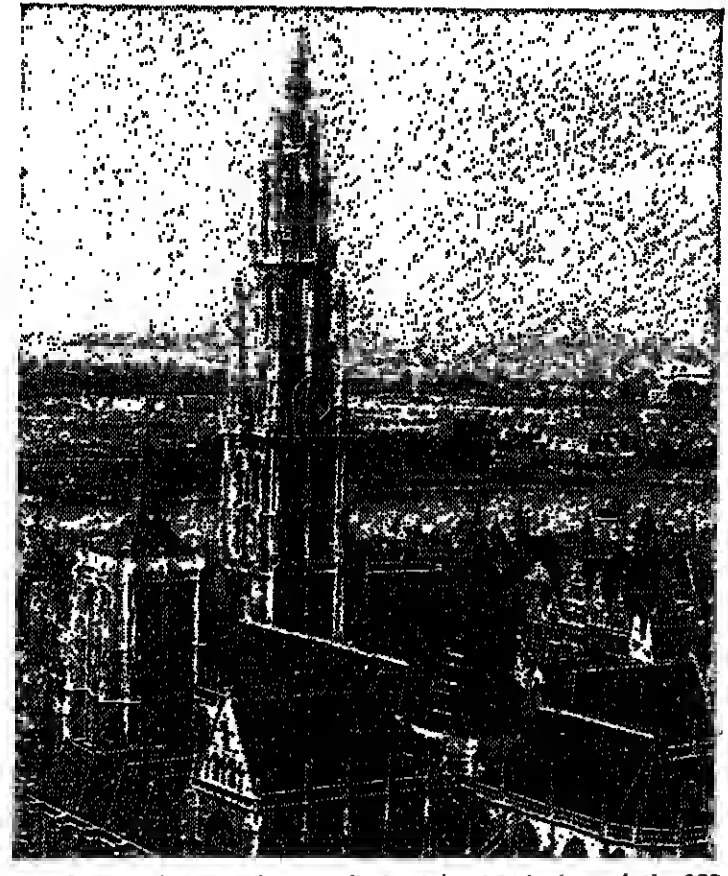
and the maximum life of that body is four years. If Mr. Tindemans calls a snap poll, it could take much less. But the new agreement means that the present coalition will jointly fight the next election. The big question is whether the Flemish parties in it can hold together. If they can do so without major defections, success is probably guaranteed. For the Flemish socialists, there is less of a problem. To their credit, Belgian socialists have always found it easier to agree on communal problems. If Mr. Tindemans puts his considerable personal prestige fully behind the regionalisation plan—and he has promised to do so—the Flemish Social Christians will probably follow without many ructions. Mr. Tindemans sought to cover his Flemish flank by bringing in the Volksunie, by the same token it is the Volksunie, the Flemish nationalists, who are now the most exposed. The Volksunie President, Mr. Hugo Schiltz, says that his party decided to enter the Government because its inability over the last ten years to cross the threshold of 20 per cent, of the Flanders vote had shown that its support was being eroded and that some of its Flemish business and academic backers were moving away. More important, he says, it was essential to grasp the federalist nettle before the natural centring tendencies of the modern state made this impos-

sible. A regionalisation pact was also necessary because this has indirectly paved the way for Belgium to go about directly electing MPs for the European Parliament next year. This is and when the devolution plan turn. Mr. Schiltz says, will regional council or parliament enable the distinctive Flemish voice to make itself heard on a European level. With these arguments, Mr. Schiltz claims to have his party well in hand, though one Volksunie senator has defected in protest at the Brussels compromise. But although the devolution plan is supported by parties that won 80 per cent. of the Flemish vote in April, Mr. Schiltz is under attack from the various cultural movements which have a loud voice in Flanders. Just as war is the continuation of diplomacy by other means, so Flemish cultural activities continue the political struggle for emancipation by different methods. As the one distinctively Flemish party, the Volksunie, Mr. Schiltz scene would become negligible.

## FLANDERS

### The Northern Part of Belgium The Heart of the European Community

#### FLANDERS, ON THE NORTH SEA, IS THE CENTRE OF A RICH CONSUMER MARKET OF MORE THAN 200 MILLION PEOPLE



18,000 sea-going vessels annually land in the shadow of the 100 m. high Gothic tower of the 14th century Antwerp cathedral. (Photo INSEL)

- FLANDERS has the most dense road and railroad network in the world. It is crossed by six international freeways and is linked to all European freeway networks.
- FLANDERS has a waterway network linked to the large seaports of Antwerp, Ghent, Zeebrugge and Ostend and to all European waterway networks (France, Germany, Switzerland, the Netherlands, etc.).
- FLANDERS has an international airport, i.e. Brussels National airport, operated by Sabena airlines, and has connections with 37 international airlines, linking Brussels with airports in all the other continents.
- FLANDERS has four large seaports: Antwerp, Ghent, Zeebrugge and Ostend. Antwerp is the third largest in the world, and specialises in the loading and discharging of cargoes and containers, within the shortest turn-round time. Only in Antwerp do about 18,000 seagoing vessels land with 67 million tons of cargo.
- FLANDERS has one of the most specialised and productive labour forces in the world. The highly skilled labour potential is maintained by the existence of a widespread network of technical schools.
- FLANDERS has numerous scientific research centres and universities promoting co-operation between industry and fundamental and applied research.
- FLANDERS has about 120 completely equipped industrial parks of between 10 and more than 1,000 ha., close to the seaports, airports, railroads, freeways and waterways. These industrial sites form an attractive pool of multinational, small and large enterprises and sub-contracting firms creating a highly rewarding complement between producing firms.

### The Investment Area for Foreign Investors

#### IMPORTANT FINANCIAL AID AND FISCAL ADVANTAGES

- The Belgian expansion laws of 1959 and 1970 are equally applicable to foreign investments. They provide for substantial aid in a variety of ways.
  - INTEREST SUBSIDIES: the Government grants reductions in interest rates amounting to 5% during five years. Moreover an additional 2% or a prolonging of the aid for two years is provided as a cyclical measure. This means that the total interest subsidy can reach 5 or 7% with a duration of 6 or 7 years.
  - CAPITAL GRANTS: as far as own funds are used in financing the investment, the interest subsidy can be replaced by a capital grant of equal value.
  - STATE GUARANTEE: the Belgian Government may guarantee the total or partial reimbursement of the principal, interest and other charges of investment loans and ordinary or convertible debentures which were issued in order to finance the investments.
  - PROPERTY TAXES: exemption from real property taxes and a system of accelerated depreciation are also granted to investors.
  - INVESTMENTS OF PRIORITY NATURE: in cases of very important investments which have been recognised as being of a priority nature and which have a considerable impact on employment, government aid can attain 21% of the amount invested.
  - V.A.T. ON COMPLEMENTARY AND NEW INVESTMENTS: the Belgian Government has decided to waive completely the V.A.T. on complementary and new investments.
  - EMPLOYMENT GRANTS for enterprises that create supplementary jobs: in some cases employment grants are foreseen, with the effect of greatly reducing Social Security contributions.
  - FISCAL REGIME FOR FOREIGNERS: foreign managers and key-employees residing temporarily in Belgium enjoy a special and favourable fiscal regime as far as their professional income is concerned.
- Of course this list is not complete. Moreover it should be mentioned that, in the last 15 years, 3,260 foreign firms have settled in Flanders, of which 608 are foreign plants.

**THE REGIONAL DEVELOPMENT AUTHORITIES at your service**

Each Flemish provincia has its own Regional Development Authority, which is entirely at the disposal of the potential investor for all kinds of information concerning industrial sites, possible location, connections by road, rail and waterway, the labour market, etc.

They will provide you with all necessary assistance in your investment project.

**FOR ALL INFORMATION**

Office of the Secretary of State  
Mr. R. van OUTRYVE d'YDEWALLE  
Head of the Office

Anspachlaan 1. Box 8  
B 1000 Brussels - Belgium  
tel. (32.2) 219.49.90



FLANDERS II

# Economic problems

## TOWER BRIDGE TO BELGIUM. PLEASURE BEFORE BUSINESS.



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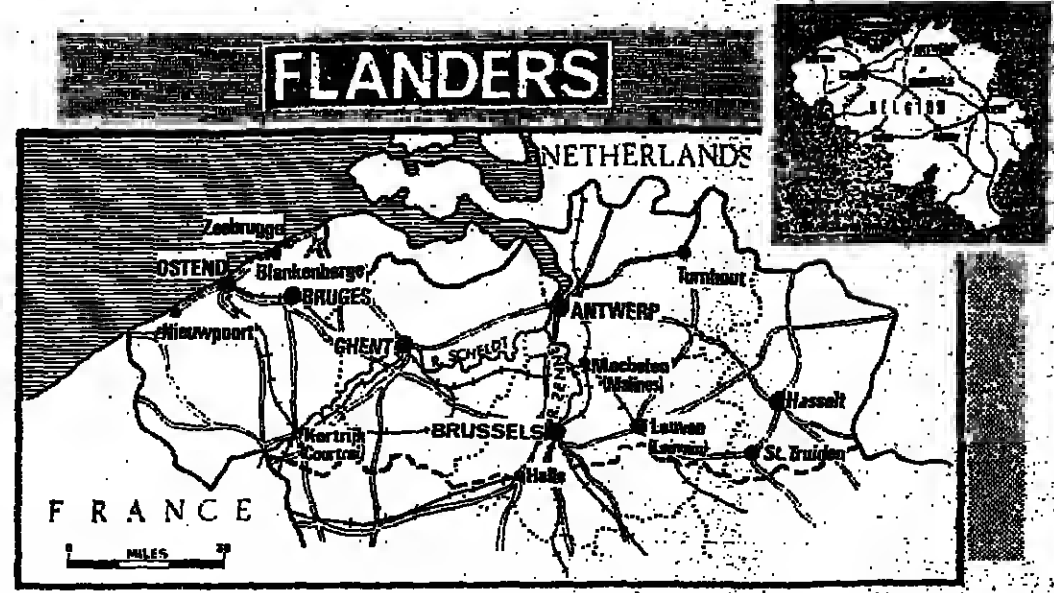
FLANDERS SHARES the same broad order of problems that besets the Belgian economy as a whole: as the country's predominant region, it would be surprising if it did not. Of most concern to ordinary people are prices and jobs. Belgium combines the second lowest inflation rate in the EEC (second to Germany and just ahead of the Netherlands, at an annual rate of 7.4 per cent. in the first half of 1977)—with a level of unemployment second only to Ireland in the EEC. By mid-summer 6.4 per cent. of the active Belgian workforce was jobless; the absolute number, wholly unemployed with unemployment insurance, was some 260,000.

This combination is not exactly coincidence. The considerable feat of bringing down inflation—from 16 per cent. in 1974 and said to be the highest since the 16th-century era of Charles V (born in Ghent)—was partly due to last year's Government freeze on wages, but also to the policy of keeping the value of the Belgian franc as high as possible. The fear was, and is, that a depreciated franc would have translated into higher import costs, which in turn would have quickly led to higher wage costs via the rapid transmission belt of the consumer price index to which virtually all Belgium's wages are tied. The Tindemans Government and the National Bank regard this as unacceptable for a country that exports half of its GNP. Both seem determined that the franc should bang on the coat tails of the D-mark and the Dutch guilder in the snake joint float, partly in the hope that some of the "discipline" of their neighbours, particularly the Germans, will rub off on Belgians.

**Defend**

The authorities have steadily brought interest rates down (the national bank's discount rate is now 6 per cent.) from last year's peak rates, which were designed to help defend the franc but which also brought the slight recovery of spring 1976 to a grinding halt. But there is as yet no sign of evidence of a pick up in the economy, though the OECD forecasts a volume increase in GNP for 1977 of 2.7 per cent. The National Bank's "synthetic curve"—an amalgam of leading indicators and business confidence surveys—has resumed its decline begun a year ago, which was interrupted only briefly with a slight upturn this spring. A series of nationwide union strikes before the April, 1977 general election, and the inclusion of the socialists in the second Tindemans coalition after the election, have put unemployment much nearer the top of the Government's list of priorities. But despite the inclusion of a slightly unreal plan to reduce the number of jobless by 70,000 next year, and increased public investment, the 1978 draft budget is not really restraining. Indeed by personal tax increases, it aims for a two-thirds cut in the current public deficit to B.Frs.23bn. next year and to reduce Government borrowing, though some push is given to private investment by abolishing the much vilified 5 per cent. VAT on investment goods.

Not all the 5.5m. people living in Flanders are of course suited by Mr. Tindemans' mildly conservative economic policies. But broadly speaking the more conservative, Flemish part of the country would probably agree that inflation is a greater evil than (or at least a root cause of) unemployment, that State spending needs reining in, and that State aid is not a full substitute for necessary structural readjustments. For a number of reasons Flanders is better equipped



than Wallonia to weather the current economic depression. The structure of Flemish industry is more diversified—with a larger number of small companies producing a wider range of products. Flanders has most of the multinationals established in Belgium, and has a few home-grown giants like Bekaert, Europe's biggest maker of industrial wire, and Gevaert, the Flemish part of the AGFA Gevaert photo combine. But as Mr. Marc Eykens, the Economic Secretary of State for Flanders, points out, one of its strengths lies in the 75 per cent. of all industrial employment that comes from companies with fewer than 200 employees. This has a spin-off in making for generally closer co-operation between managers and workers than is found in most mastodon Walloon companies, and for better industrial relations.

The Flemish wings of national trade unions tend to be more moderate than their Walloon counterparts. The Christian Union federations, the CSC was born in Flanders and draws 750,000-800,000 of its 1.2m. members from there; while the socialist federation, the FGVB has less than half its 1.1m. members there. Of course, Flemish unions have become more militant with the rise in regional unemployment—since 1974 it has nearly tripled to a current 10 per cent. of all wage earners (excluding the self-employed). This, though, is still two points below the similar rate in Wallonia. The 303 651 work days lost through strikes in Flanders in 1975 exceeded by 13,744 those lost in Wallonia (which admittedly has less industry). And the fact that the CSC joined hands with the FGVB this spring to launch a series of rolling national strikes in protest at unemployment and Government social policy, coupled with the fact that the strikes were as effective in Flanders as in the south, point to a weakening of the CSC's traditional ties with Mr. Tindemans' Flemish Social Christian Party.

**Different**

Complaints about high Flemish wages (which are negotiated nationally and therefore little different from Walloon wages) are met by boasts about equally high productivity. Comparisons are tricky in this area, but one well known comparison was made in a BBC programme not so long ago between the Flemish steel company, Sidmar, and the British Steel Corporation's South Wales Llanwern plant. With similar coastal integrated steel mills making the same product, it took only 6,000 Sidmar workers to produce the same tonnage as 9,000 BSC workers. Part of the difference was accounted for in different eating habits: the Sidmar workers took their own sandwiches, while Llanwern had to carry a large plant catering

"Our economy has been very vulnerable," Mr. Eykens says, "because of high wages and the high degree of investment. It is now no longer a question of how much investment Flanders can get every year, but how much it can prevent from leaving it not so far in the very important chemical and petrochemical sector that the threat of imminent foreign purchases itself. There are problems but most concern the most fashionable Flemish plan, Belgian companies."

The present dilemma while Mr. Eykens and ministers stress the need for Belgium and Flanders to concentrate on high value products, to offset high costs, this often means intensive investment in fewer new jobs at a time of record unemployment, noticeable that not only investment in Flanders, Belgium and foreign B.Frs.25bn. in the first months of this year, but the B.Frs.38bn. invested same period last year by it is creating fewer jobs.

This trend is confirmed by the Flemish employment situation, which goes that of a total new investment designed to rationalise and reduce the workforce.

David Bu

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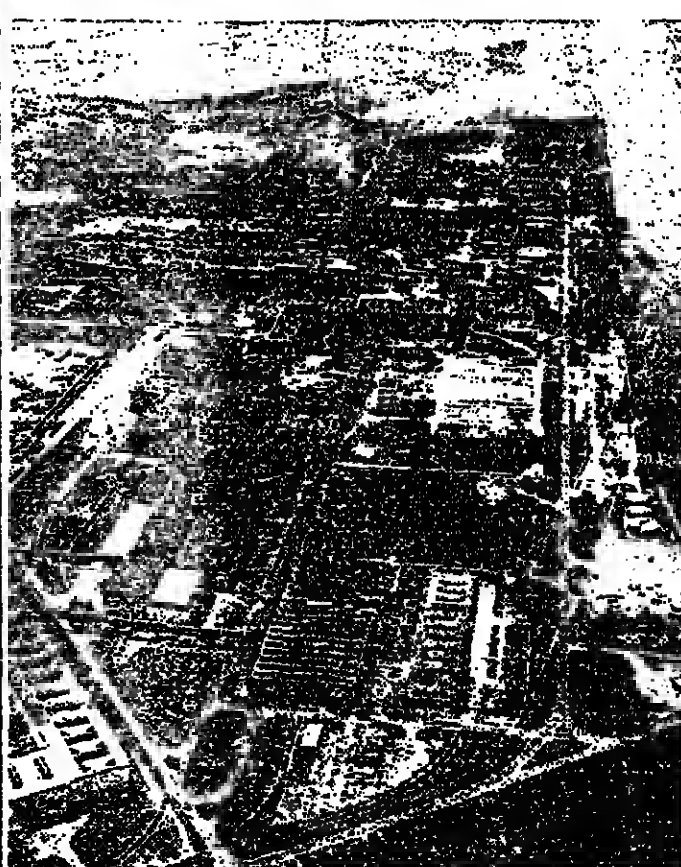
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# A trading tradition

TRADERS since the in iron and steel shipments, due to the European steel recession, tended to look sea as much as south of the country. But Flanders has won and maintained a 1 share of European seaborne trade. Antwerp alone or 17.8 per cent of loadings by North Flanders near the isroads of Western werg—though an in- s within 100 miles of fe Bank which is the main shipping in the North Sea and channel converge. Belgium ports such e are even nearer. in, Flanders has a stralised hinterland hind it—Eastern uthern Germany, island and Northern e areas that make len triangle" of the ommon Market—and o it provided by the nd the 1,500 km end watery net- work by the Euro- network and by the some seven major ghways (so-called the soil of Flanders, ore not surprising reek port in that order. But it is—Antwerp, Ghent as—has attracted rocess of attracting onnes of Russian registered shipping passing through the port last year (while Belgium itself is in eighth place with 2.8m. tonnes).

## Criterion

By the criterion of flag, Antwerp is still predominantly a British, German, Liberian and Greek port in that order. But it has successfully attracted new customers, and the Soviet Union is now in fifth place with 4.4m. tonnes of Russian registered shipping passing through the port last year (while Belgium itself is in eighth place with 2.8m. tonnes). With high wages and an extensive "declassification scheme" (which basically means assisting those dockers that do not find work on a given day or week of a good unemployment benefit), there has not been a strike to date that has speak of since certain national labour disturbances in the early 1960s. The other main reason for labour peace in the port is that the high influx of general cargo into the port has kept employment high, with the daily average of employment rising by almost 7,000 in the first half of claim that its hold 1976 to 8,500 in the first six cargo, which in all months of this year. For these more than 87m. tonnes reasons the Antwerp authorities are more "valuable" in say they are "mercifully" free plomnt in the port from the sort of problems which ecome to the port: the newer cargo handling tech- nology has brought to some

British ports. Dredging of the outer Scheldt (with the permission of the Dutch through whose territory it passes) in recent years has im- proved the navigability of Antwerp's access river—to the extent that 90 per cent. of ships entering Antwerp can now pass through to the port on a single tide, thus vastly improving the turnaround time of ships. As a result, Antwerp can now take ships of 75,000-80,000 tonnes, which while still not admitting oil super-tankers certainly allows passage even to the third generation of inter-continental container ships.

But there are some shadows over the future of the port. The principal of these is the controls the Dutch want to place on the future industrial development of the port. This is a traditional problem (at one time the Dutch had the right to exact tolls on shipping passing to and from Antwerp), but also a serious problem with the pollution by all the Antwerp petrochemical, chemical and refining industries and the changes in water temperature mainly caused by the two nuclear power plants which the Belgian power company EBES is building on the upper left bank of the Scheldt.

By the Treaty of Bath the Dutch have allowed Belgium to dredge the outer Scheldt. By the Treaty of Baalhoek the Dutch have given the go ahead for the cutting of a canal through the left bank of the Scheldt direct to the sea. This latter has been a treasured aim of the Antwerp port authorities for a long time, who want to develop some 6,000 hectares there, but in return the Dutch want a right of veto over industrial development on the left bank. This has proved unacceptable to both the Antwerp and Belgian authorities, and the present Belgian Government of Prime Minister Vandenaem has called for the renegotiation of the treaties with Holland. To make matters even more complicated, the Dutch for their part want to discuss the question of the amount of water that Belgium takes from the Meuse River before it enters Holland. This is already a matter of internal Belgian dispute, between the Walloons in the south who control most of the Belgian part

of the Meuse and Antwerp for which Meuse water (which is siphoned off to Antwerp by means of the Albert Canal) is vital. Therefore, this matter of Belgian linguistic and regional politics will have to be settled before the Dutch can be approached. Resolution of these disputes with the Dutch is essential in the long term for the future of Antwerp. But Antwerp's second access to the sea, by way of the Baalhoek Canal, may no longer be the immediate pressing necessity that it appeared even a couple of years ago. The dredging of the outer Scheldt has made Antwerp a safer and more usable port than it was in the 1960s.

## Inland

Dutch control is an issue which also affects Belgium's other main inland port, which is linked to the sea via the Canal to the Dutch seaport of Terneuzen. Ghent last year handled over 13m. tonnes of cargo or over 16 per cent. of Belgian port traffic. But users of the Canal—the biggest of which is Sidmar, the Flemish steel company, but which also include some big grain companies—would like to see a second lock installed on the Dutch part of the Canal. Ghent is already suffering from its inland location, and for instance, the Texco refinery in the Ghent port area has to import its crude by way of pipeline from Zeebrugge.

While Antwerp and Ghent do not really compete with each other for cargo, the same is not true of Zeebrugge, the brash upstart of Flemish ports. Last year the 12.5m. tonnes of cargo it handled gave it a 10 per cent. share of Belgian port traffic, an astonishing growth compared with the mere 2m. tonnes it handled in 1967. Oil and container traffic are the key to its growth. Short sea traffic has so far been its staple mainly from the U.K. 175 per cent of which is from the U.K.). But recently it has won recognition from the international container lines. It has indeed just won the South Africa-Europe container service away from Antwerp—so indication of the rivalry Antwerp rightly fears. The Belgian Government is firmly behind the development

of Zeebrugge: the port is indeed run by the state while Antwerp and Ghent are still locally controlled. The view of the Belgian Minister of Communications, Mr. Jos Charlier, is that "whereas it is obvious that each of the Belgian ports must be able to handle the general cargo generated by its immediate hinterland, each must also develop the speciality most suited to its location for the much larger European hinterland." For the Government, Zeebrugge is its strategic asset, the one big port unfettered by foreign control. For energy in particular, the Government does not want to be beholden to any of its neighbours for transshipment in time of crisis.

At present, Zeebrugge can take ships of 80,000 tonnes. Beyond that, oil tankers can enter partly loaded, having usually called first at Rotterdam or Pembroke/Milford Haven. The future expansion that Zeebrugge is planning, however, turns on Algerian natural gas which Belgium is to start importing from autumn 1980 in gradual replacement for diminishing Dutch natural gas. As a result, Zeebrugge has undertaken to be ready to receive liquefied natural gas tankers by that date. Soaring costs, which are likely to be very large indeed, and growing local environmental objections to a long terminal, are holding work up, and it now seems certain that the Algerian gas will at first be received into a floating, temporary terminal.

Air transport means little to a small region in a small country. Flanders has two quite adequate regional airports at Ostend and Deurne (Antwerp). Both have seen an increase in traffic particularly in freight: in the last 12 months a freight increase of 28 per cent. for Deurne and 20 per cent. for Ostend. But a recent Government commission study concludes that Deurne may have to be closed in the early 1980s because it is too close to the centre of Antwerp. Nevertheless the same study also concludes that Belgium's national Brussels Airport, located at Zaventem on Flemish soil, will be more than adequate to cope with the country's passenger and freight needs beyond the turn of the century.

D.B.

# Antwerp airs its grievances

IT IS A standard grievance in Antwerp that the city shoulders the cost of running the port, while the Belgian state reaps the benefits in the form of tax- paid by the industry attracted to the port area. Certainly the port makes a considerable loss on operations—nearly B.Frs.1bn. last year. But much of this is due to personnel costs. The port authorities are now in process of reducing the 3,700 workers at present on its payroll, and getting out of crane operations and the like so that in future the port will act more as "land- holders" for private enterprise. More important, though, is the fact that the Government has funded the bill for much of the infrastructure for the port industries. And these in turn have brought high wages and employment to the city.

Antwerp's basic strategy has been to attract industry as security for the future. Shipping lines may come and go—and some have in recent years turned to more immediately accessible ports—but port-based industry is a large extent a captive user of the port facilities. Exactly how big a user as a proportion of total traffic is not easy to decipher, but in the first half of this year cargo traffic generated by port-based chemical companies alone rose by 20 per cent. The means of attracting investment in the Antwerp area have been largely free infrastructure facilities, and tax incentives, and the results up to now have been spectacular. Total investment in the port area is in excess of 82.5bn. and in this foreign companies—though they only form some 15 per cent. in the 15,000-strong Antwerp Chamber of Commerce—have played the key role. Between 1958-73 one-third of all foreign investment in Belgium, or 8065m., was concentrated in the province of Antwerp (admittedly a wider region than just the port area, less than in, say, the car assembly industry.

## Mixed

The jobs brought to Antwerp by the new high technology industries have proved a mixed blessing for some of the older Antwerp-based industries. One such is the depressed ship-repairing industry which, with Belard and Mercantile Marine Engineering, still employs some 10,000 workers in the port area. In this sector which along with the Antwerp shipbuilding industry (principally the Cockerill yards at Hoboken) shares a depressed outlook, wages are often some B.Frs.20 an hour region than just the port area, less than in, say, the car assembly industry.

Among the earlier arrivals in the port area were the oil refining industry, and among these are Anglo-Belge Des Petroles (BP and Petrolina, the Belgian oil major), Esso Belgium, and Sotmet Industrielle Belge Des Petroles. All of these companies' arrivals predate the advent of the supertanker which drastically cut Antwerp's direct oil trade from 6.2m. tonnes in 1958 to 3.5m. tonnes last year. But it is the pipeline from Rotterdam to Antwerp, built in the 1960s that now keeps them mainly supplied. Eventually this pipeline's throughput capacity, a maximum of about 30m. tonnes of crude oil a year, will have to be expanded if only to meet the demand by the Antwerp based petrochemical companies for basic feedstock. But for the moment, with refinery capacity throughout Europe seriously under used, there seems no particular hurry to do so.

Some success to persuade companies to move out of the Antwerp area. It is now official Government and local policy to restrict a port area for capital intensive industry, and to persuade big users of labour to go further inland. But there is some ambivalence in the way the policy is being pursued. Ford is for instance being lobbied heavily by the Belgian and Flemish authorities to expand its tractor plant in Antwerp rather than set up a fresh plant in Ireland (the other option Ford is examining). Ford is already one of the big users of labour in the port area.

But the idea of developing the Scheldt's left bank is that it should be reserved for the same sort of high technology, highly capitalised companies that characterise most of the right bank. Already some 1,000 hectares of the 3,000 hectares that are eventually designed for industrial development on the left bank now have tenants. But of course, further digging of the Baalhoek Canal, beyond the Killo Dock which is practically completed, and further industrial development of the left bank turn on negotiations with Holland which would control the sea exit of the Baalhoek Canal. For this political reason, and for the more general factor of the present depressed climate for international investment, seem safe to conclude that if industrial growth takes place on the left bank, it will do so at a much slower and more modest pace than the growth of the right bank did in the heady 1960s.

Antwerp has long been a pole of attraction for qualified and professional Flemish in search of better opportunities. But it is a common complaint that many of the big companies employ very few upper grade Flemish. This appears to be not so much that foreign companies employ a large proportion of their own nationals—General Motors and Ford for instance only have a handful of American managers in Antwerp—but that most of the Antwerp plants are purely production, with all research and development concentrated back in their home country bases.

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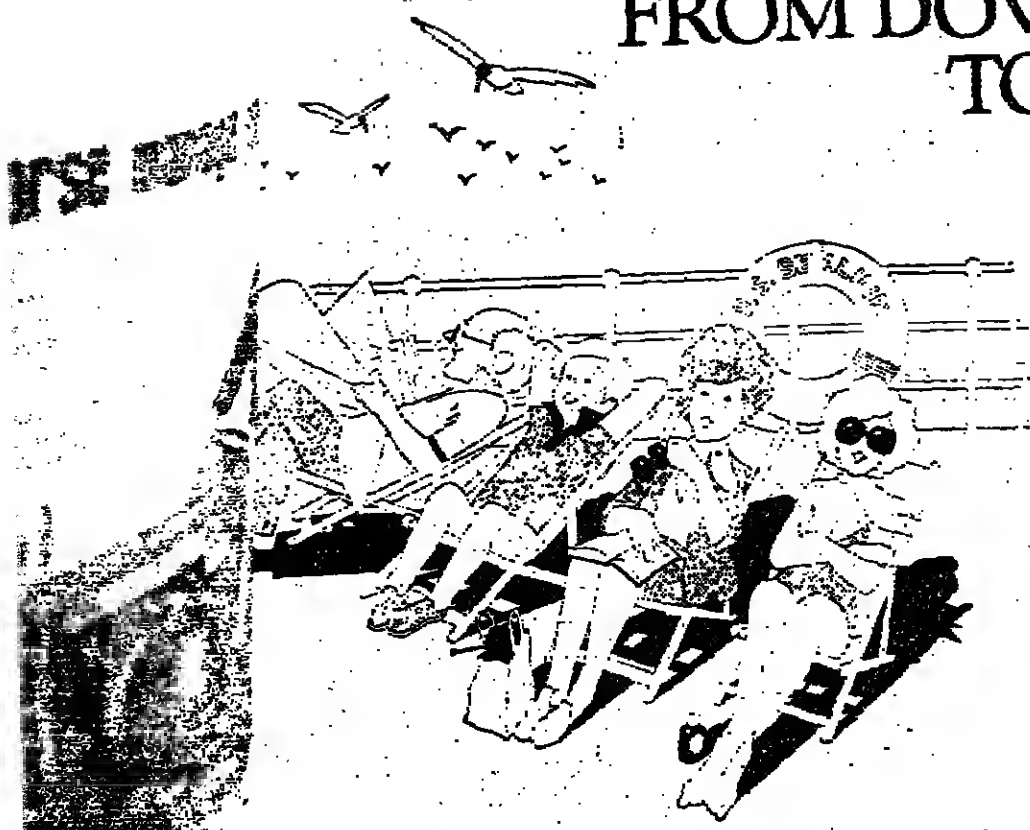
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A craftsman at work rough cutting a diamond in an Antwerp workshop.

The rise in imports of rough diamonds—from 5,42m. carats in 1965 to 12,87m. in 1976—coincided with an even sharper rise in re-export of rough diamonds for processing elsewhere—from 1,08m. carats in 1965 to 8,13m. last year—with stones imported for processing in Flanders dropping from 4,34m. to an estimated 3,84m. Exports of polished stones rose over this period from 1,33m. carats to 2,69m., mainly because of the rise from 330,000 to 1,46m. carats in imports of polished stones. Exports of stones processed in Flanders declined to an estimated 1,01m. from 1.1m. carats. The discrepancy in the totals for polished as opposed to rough stones is due in a small amount of stock-piling and the fact that between 50 and 70 per cent. of a stone's weight may be lost in the cutting and polishing.

The decline in processing struck hardest at the small diamonds sector, which accounts for about two-thirds of all the workers and employers in the industry. About 100 employers, many of them owners of small workshops, were forced out of business and the structure of the small stones sector changed. A slowing in the supply of rough diamonds during the late 1960s and early 1970s forced a certain rationalisation. The small workshops are increasingly giving way in larger ones processing in India, the USSR and Israel, has accelerated a decline that began around 1970 with world economic recession and a slowing in the supply of rough stones. Though the larger stones still come to Antwerp and, to a lesser extent, to Ypres and Kortrijk, many dealers now send the smaller and less valuable stones, and much of the 82 per cent. of world diamond output relegated to industry, to the less skilled but much cheaper Indian and Israeli workshops.

The decline in the processing industry has not affected trade—Antwerp is still the centre of the world trade in polished diamonds and second only to London in handling rough diamonds. The volume of business through and alongside its four Exchanges continues to expand by about 20 per cent. a year. But the character of the trade has changed markedly in the last decade.

The De Beers Group. This virtual monopoly allows the CSO almost total control over the diamond price—which has appreciated steadily in money terms over the past decade in inverse proportion to global inflation but has remained remarkably steady in real terms—and over supplies.

The slowing of supply of high quality large stones over the past decade has prompted suggestions that the world's diamond mines are beginning to run out and may be exhausted in a decade or two, but dealers are confident that the supply has merely been stemmed by the CSO to maintain prices in the face of world recession and ebbing demand. This is possible, largely because of the unique structure of the market for rough diamonds in which the very tight control over primary selling operations exercised by the CSO has never been challenged, as it is the interest of everyone concerned—traders, manufacturers and consumers—that the price should remain high. Thus the CSO can afford to sell only to buyers selected by itself and to dictate its terms.

The 250 buyers on the CSO list, which includes about 100 Antwerp dealers, come to London about 10 times a year to examine the hatches of stones, known as "sights," which the CSO compiles according to their individual requirements. The buyers, who represent the more established international dealers and manufacturers, are offered the sights allocated to them at a fixed price, take it or leave it. A buyer can, in theory, refuse a sight but should he do so two or three times he risks losing his place on the CSO list and with it, access to most of the primary market.

Foreign dealers and manufacturers supplied by the CSO London Stock Exchange nor the process or sell most of what they buy back in their own countries but a certain percentage of stones, together with any stones left over from CSO sales in London, tends to re-emerge on the Antwerp market. Though tables peering through magnifying glasses at stones set out on pieces of white paper. "At the conclusion of a deal, the grudgingly admits stone or batch of stones is weighed on official exchange scales and the weight written down. Otherwise no paper work is involved and no dealer would be cross enough to count the pile of stones he has just bought.

The rarefied atmosphere of the exchange buildings is discreetly but ruthlessly protected by a network of armed security guards, detectives, television cameras and electronic devices. Police cars are parked permanently at strategic points in the surrounding streets and parking is forbidden in certain areas. Stones sent to and from the buildings travel in an armoured car with a police escort. It is all very unobtrusive. Unlike the entrances of the Parc Royale in Brussels there are no police with submachine guns, the very idea of which sends a shiver of laughter. "This is Antwerp, not Chicago." How ever, take a few steps out of the door and you are gently but firmly steered towards the door. The industry is also taking steps to protect itself in a wider context. After years of complacency, Antwerp has become alarmed by the growth of other centres, which can no longer be dismissed as "merely good next door" or "shoddy Indian."

The Diamantkring, is for rough and industrial diamonds, the Beurs Voor Diamanthandel includes mostly foreign dealers while local operators concentrate mainly on the Vrije Diamantclub van Antwerpen, the oldest, dating back to 1893, and includes many of the older firms. Together they incorporate about 3,500 members, and are linked by the Federatie der Belgische Diamantbeurzen, a regulatory body which includes a permanent eight-man commission for the settlement of disputes but which does not override the independent management or internal regulations of the four.

Much of the dealing takes place in the offices of individual firms, in or alongside the exchange buildings. There is then a certain amount of "invisible" dealing, less euphemistic, but known as "black market." Otherwise, trading takes place on weekday mornings in large exchange rooms which could easily be mistaken at first glance for railway cafeterias. They have neither the pomp of the London Stock Exchange nor the frenzied activity of the London commodity exchanges. The traders, a sub-culture, all black hats and long curling hair, sit quietly in groups, though tables peering through magnifying glasses at stones set out on pieces of white paper. "At the conclusion of a deal, the grudgingly admits stone or batch of stones is weighed on official exchange scales and the weight written down. Otherwise no paper work is involved and no dealer would be cross enough to count the pile of stones he has just bought.

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**Small-scale farming**

THE LANDSCAPE of Flanders, dotted with clusters of farm buildings, squared off by rows of willow and poplar, broken up by canals and the occasional absurdly regular rectangle of forest, appears far too sealed down and tidy for serious agriculture. A typical Flemish farm looks as though it gets washed, brushed and combed every morning, and visitors to the region often find it hard to believe that such a small unit can support a family.

**Shifts**

Though the size of individual farms is gradually rising as more of the rural population shifts to the towns, the average holding is still only 7.3 hectares. This is partly due to the part-time farmers, who make up a third of the agricultural population, huddling the distinction between high private vegetable patches and fully professional concerns. They tend to be workers from other industries, supplementing their incomes with a beehive or two of market garden, perhaps a couple of pigs and a few hens. (For statistical purposes only these selling regularly on a commercial scale are included.) Nevertheless, more than 30 per cent. of the full-time concerns are less than 3 ha., almost 60 per cent. are less than 10 ha., and more than 86 per cent. are less than 20 ha. (By comparison, 85 per cent. of full-time farms were less than 10 ha. in 1950).

The scarcity of land available for agriculture puts a very high premium on efficiency and productivity. Flemish farms are smaller than those of Wallonia, but generally far more productive. A technological revolution since the end of World War II has replaced much of the man-and-horse powered activity with tractors, seed drills, harvesters and milking machines. The formation of the European Common Market has steered farmland away from mixed farming towards ever-increasing specialisation, while technological research has raised productivity sharply over the past two decades.

Agriculture in Flanders, as in Belgium generally, constitutes a minor sector in terms of national income and employment: it provides less than 2.5 per cent. of GNP and employs less than 4 per cent. of the active working population, one of the lowest ratios in the world. It takes up only half the total land area—about 0.7m. ha. each in Flanders and Wallonia—and even this is being eroded at the rate of about 10,000 ha. a year, mainly in the provinces of Antwerp and Limbourg, by expansion of urban and industrial construction, roads and canals. Belgian output feeds itself but its agricultural products, of which Flanders produces about two-thirds on average, satisfy about 85 per cent. of domestic requirements and provide an export surplus in livestock products.

Belgium is the world's leading exporter of eggs and also exports large quantities of pork and chicken meat—all of which are produced mainly in Flanders. In 1974, the most recent year for which final official trade statistics are available, livestock product exports, minus imports of beef and cheese, left a surplus of 8 Frs.11.2bn. But this was more than offset by an import surplus in horticultural products, and in cereals and feedgrains. Belgium is famous for its high quality and substantial quantities of fruit and vegetable exports, which again come mainly from Flanders as does one-third

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CONTINUED ON NEXT PAGE



# The foreign stake

Foreign companies, Flanders does not lack capital, who came to the region in the 1950s and 60s are having second thoughts about the region, and look ominous. So far, Saab, Renault, Volvo have reduced operations, with a loss of 6,000 jobs. The ion last month to new car assembly also came as a dis- to the Flemish, w fighting hard to ord to expand its ictor plant. Sagging rest has contributed ine in the Flemish try, which has lost ver the past five reign investment Flanders has been the past two years: uch years could be out there is no sign

industry, unlike that a, is based on a of small diversified Seventy-five per industrial workforce l by companies of 3 workers, a stabilis- since individual little impact. But anies account for cent of total indus- the greater part i the big metal pro- ducing car assem- blics and petro- ctors, which depend foreign investment. ne car modela and products, and the produce them reltively short life. come obsolete in as years so that it is y easy for a com- y to disinvest to cut id pull out suddenly. he big foreign com- hese actors retain grants from the European Regional Fund for projects in development areas.

The warnings of the past two years have not been lost on the Belgian Government - earlier this year it introduced a pack- age of incentives, another of the so-called Egmont Plans, to sti- mulate investment. These in- cluded: generous interest subsidies on loans for new investments; selective exemp- tion from real property tax and capital registration tax; liberal- ized depreciation allowances; exemption from the 5 per cent VAT on new and complementary investments; tax exemption for reinvested capital gains; and grants from the European Regional Fund for projects in development areas.

These measures do not appear to have had much impact on the foreign business community so far, probably because they do nothing to overcome the basic problems - production costs among the highest in the world and an uneasy relationship be- tween industry and the unions. Companies operating in Belgium pay wages among the highest in Europe. On top of this, they have to pay social security con- tributions equal to more than 50 per cent of the paid wage.

These contributions, the high- est in the world, are indexed to inflation and despite the Govern- ment's success in bringing infla- tion down to around 7 per cent, from 16 per cent in 1974, it will still take a long time to get them back to parity with the neighbouring European countries. Many U.S. companies operating in Flanders willingly offer above-average wages in order to attract workers, but balk at the social security con- tributions—an attitude which has done little for labour re- lations.

A similar problem exists with the termination of labour contracts. Termination payments are also among the highest in the world. An unskilled worker laid off after 20 years of service may continue to receive a substantial portion of his wages for four or five years; a white collar worker might get B.Frs.1m. (£16,130) a year for five or six years—in the case of a very senior execu- tive a B.Frs.20m. golden hand- shake is not unheard of. These payments can be avoided if the company observes the required period of notice—four to six weeks for an unskilled worker and for white collar workers, an average one to two years going up to six years in some cases.

## Excessive

Mr. Mark Eyskens, Secretary of State for Budget and for Flemish Regional Economy, con- cedes that these payments are excessive but says the Govern- ment is reluctant to reduce the period of notice or in any way to facilitate mass layoffs of workers. "What they do in Detroit is totally inhumane, and we don't want that here," he says. He suggests that the problem may be overcome by shifting more of the burden of payment onto the Belgian tax- payer but this again will take time and the next two years may well be the crucial ones, as Mr. Eyskens recognises. Failure to resolve the situation by the end of the decade could bring about a crisis not only for Flanders but for Belgium as a whole, for Germany, France, the Netherlands, and Scandinavia, he says. "We could be plunged back into the 1930s."

The degree to which these considerations weigh with the foreign investor was pointed out earlier this year in a survey

of American companies con- ducted by the U.S. Chamber of Commerce in Brussels. Of the 350 U.S. companies involved, representing B.Frs.133bn. or 32 per cent of U.S. corporate investment in Belgium and get them back to parity with 108,000 jobs, 88 per cent found wages and related benefits higher in Belgium than any- where else in Europe. Seventy- one per cent found them more expensive than in the U.S.

Between 50 and 60 per cent. felt Belgian products would no longer be competitive on world markets within three years, were dissatisfied with the return on their investments and felt the Government's new incentives were inadequate. Although only 13 per cent. planned to reduce their work- force and 47 planned increases, their investment plans indi- cated that the overall level of U.S. investment would drop to an average B.Frs.61bn. a year for the next five years from B.Frs.81bn. over the past five —with a drop of 37 per cent. in the manufacturing sector. The companies surveyed were virtually unanimous in calling for further action against infla- tion to curb the index-linked wages spiral, measures to curb outright wage rises, to reduce absenteeism, to facilitate the ter- mination of labour contracts and to review the system of compulsory fringe benefits.

Flanders has many inherent advantages: high productivity, a skilled workforce, political stability, highly-developed infra- structure and location in the centre of Europe, the main market for its exports. But it appears almost to have priced itself out of the labour market for mass-produced goods. Grumbling about "unfair com- petition" from North Africa and Southern and Eastern Europe, about "Twenty-first century equipment and nine- teenth century working con- ditions" is not going to dis- suade foreign investors from turning to these countries to set up their factories or place their contracts. The Flemish can offer higher productivity and a higher degree of skill, but for the price they are asking, this does not seem to be enough. They will have to think of something more and they have not got much time to come up with an answer.

M.v.H.

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Photo C.G.T. - Bruges - Belfry

## arming

CONTINUED FROM PREVIOUS PAGE

But heavy vegetables, eggs and poultry, wheat, citrus and providing over the years sufficient market stability to allow for products, put the agricultural trade t-B.Frs.23.7bn. in 1976, a third of this trade EEC countries, helped boost the cereal and bor- nance, the Nether- ticultural yield per hectare, and Germany. Member- EEC has, on the tion, thus, although the area ed Flemish farmers given over to agriculture has More than any- decreased steadily, total output is meant a consis- continues to rise.

The inevitable drive towards greater productivity is reflected in fertiliser consumption —total consumption of nitrogen- based fertiliser, for example, has risen from 75,709 tonnes in 1950-51 to 175,118 tonnes in 1974-75, but consumption per hectare has risen from 41.9 kg to 114.4kg in this period. It is also reflected in the tractor pop- ulation explosion, from 8,059 in 1950 to 94,361 in 1975—and the near-decimation of draught horses, down from 244,000 to barely 35,000.

However, considerations such as the environmental effect of livestock overcrowding are be- ginning to weigh as much as supply/demand and profitability, in defining the ratio of pasture to land under cultivation. At present the national ratio is roughly 50/50, with a slightly lower proportion of pasture in Flanders. The gross agricultural product comprises livestock 68 per cent, horticulture 19 per cent, and arable crops (includ- ing cereals, beets, flax, hops and tobacco) 13 per cent.

Among these, far and away the most profitable sector is pig breeding. Analysis of farm ac- counts collated by the Boere- bond indicate that in 1975-76 the average income of pig breeders was 64 per cent above the national average non-agri- cultural or "parity" income. The figure is undoubtedly on the high side, as the more efficiently-run farms are more likely to produce accounts and, besides, it was a very good year for pork. The subsequent drop in the market price has pared the mar- gin. However, the market is be- ginning to show signs of re- covery and even at its lowest, the pig sector has remained among the most profitable. It is followed by cereal production (30 per cent above the parity income), cultivation of veget- ables in glasshouses (12 per cent above), and open air veg- etable cultivation (7 per cent above). Among the least profit- able sectors were beef produc- tion (134 per cent below parity), dairying (18 per cent below) and apple/pear orchards (8 per cent below).

Figures for the incomes of rural workers show a relative, as well as nominal rise over the past few decades. Their interests are represented by the Boerenbond whose membership covers about 70 to 75 per cent of Flemish farmers and which aims to protect the interest of the rural population in general, its activities extending far beyond those of any industrial trade union.

Its primary function is as a pressure group lobbying, among others, the Belgian Government and the European Commission, openly playing one off against the other as issues and oppor- tunity dictate. The Boerenbond has very close, though informal links with the Christian Social- ists Party: it campaigns actively in general elections, usually supporting the Social-Christian candidates of its choice, and is informally consulted in formula- tion of Government agricul- tural policy. It participates in various international forums such as COPA (Committee des Organisations Professionnelles Agricoles), CEA (Confederation Europeenne de l'Agriculture) and the International Federa- tion of Agricultural Producers. Its other interests include a co-operative to buy and sell farm produce and farming requirements ranging from seed fertilisers and fuel to heavy machinery; the fourth largest insurance company in Belgium; a rural-based savings bank; and an extension service providing bookkeeping services, advice on financial and agricultural prob- lems, and education courses in agricultural methods and agro- economics.

## Mixture

The Boerenbond's thinking on matters domestic and inter- national reflects a mixture of scientific professionalism and political and social con- servatism. This is evident, for example, in its attitude to the prospect of EEC enlargement to include Spain, Greece and Portugal, where its recognition of the potential advantages for Belgian producers of cereals, milk and meat is offset by the need to protect the interests of its fruit and vegetable produc- ing members. It also believea strongly that the wrinkles in relations between the present EEC member countries should be ironed out before admitting any more.

Closer to home, the Boere- bond is much concerned with the fabric of rural society and is dedicated to the preservation of small family-run farms, in the interest of social harmony, as well as economic efficiency. So, as long as the Boerenbond continues to wield influence among politicians, Eurocrats and farmers alike, the Noah's Ark cosiness of the Flemish landscape is unlikely to be drowned in a flood of factory farming.

M.v.H.

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The company has equipped electrical power plants in countries including Argentina, Canary Isles, Egypt, Iraq, Luxembourg, the Netherlands, Rumania, Venezuela, Spain and Thailand.

Carmoy-Vandestein won its first contract for piping in power station 20 years ago: in 1956 it started in at the BR2 and BR3 nuclear power plants at Mol. Since then the company has been deeply involv- ing and erecting piping for nuclear power plants in Belgium, France, and West Germany.

Carmoy-Vandestein has completed numer- ous contracts for power stations, it has undertaken orders for industrial piping and related work.

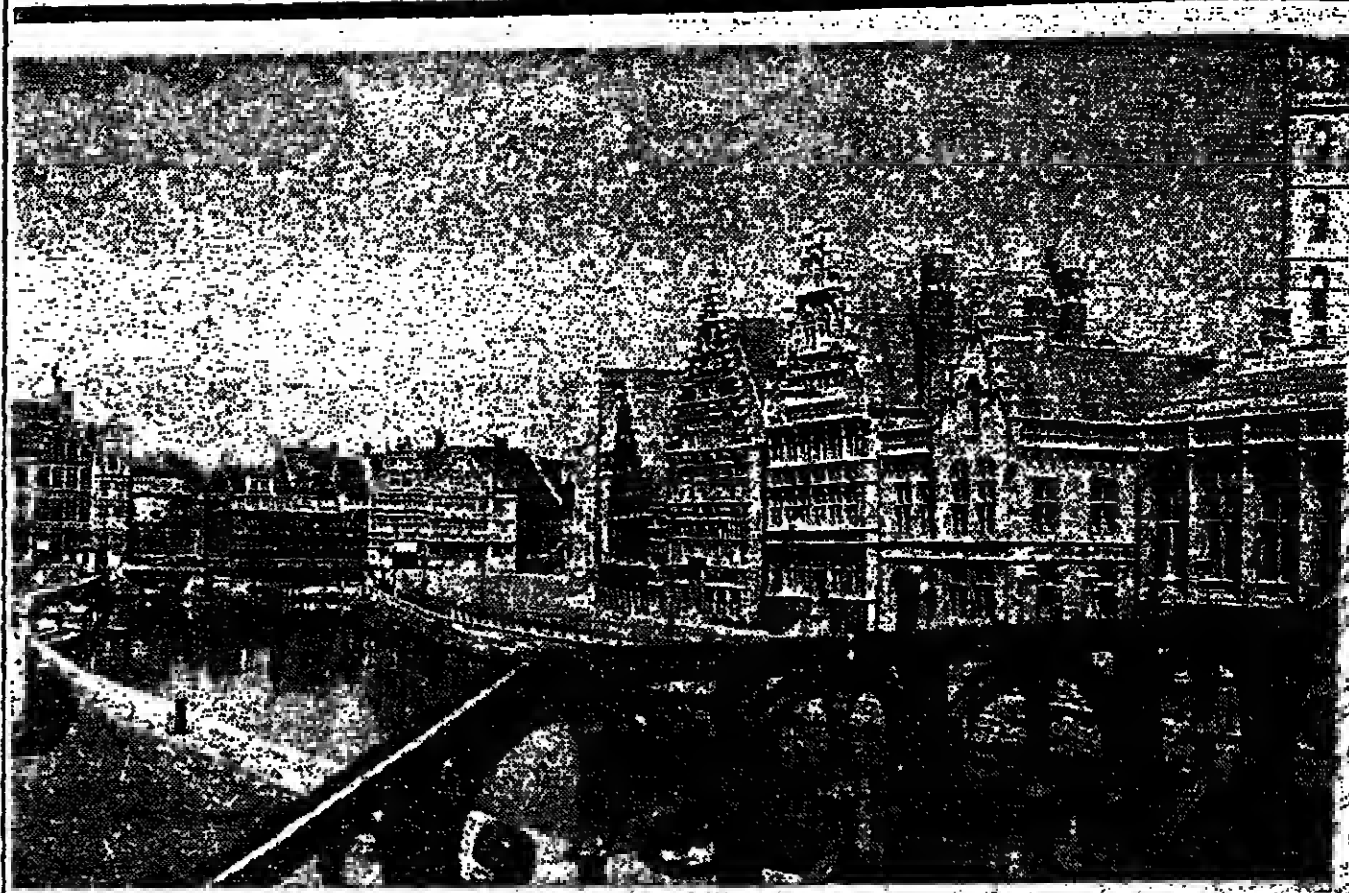
The company has installed heating piping systems (first project undertaken in 1956) and on-site piping for oil refineries and chemical plants.

The company works for town gas works and for natural gas com- pression units; air and oxygen piping and plants; both in Bel- gium and foreign countries.

The company's quality assurance manual sets out procedures for designing pipework including stress analysis, selection of material suppliers, for inspecting on delivery, and for testing and accepting both on-site and shop prefabricated elements and welded piping systems.



# FLANDERS VI



A view of the "Grass Quay" in Ghent with the fronts of the Guild houses.

## The sublime and the vulgar

IN A region as small as Flanders it does not take long to go from the sublime to the ridiculous—about 12 minutes if you are taking the tralo from Eruges (Brugge) to Oostend. The Flemish tourist industry seems to be thriving on a judicious mixture of both, with tea and fish and chips and pony rides and naughty postcards on one side, and Van Eyck and poplar-lined canals and 15th-century town halls on the other. Tourist promotion this year is focused on Rubens, who has the lol-fleshy, bawdy, exuberant sensuality, humour, religious fervour, tenderness, earthiness, and it is his fourth centenary to boot. They are charging B.Frs.10 (15p) admission to Antwerp Cathedral where some of his paintings are on view.

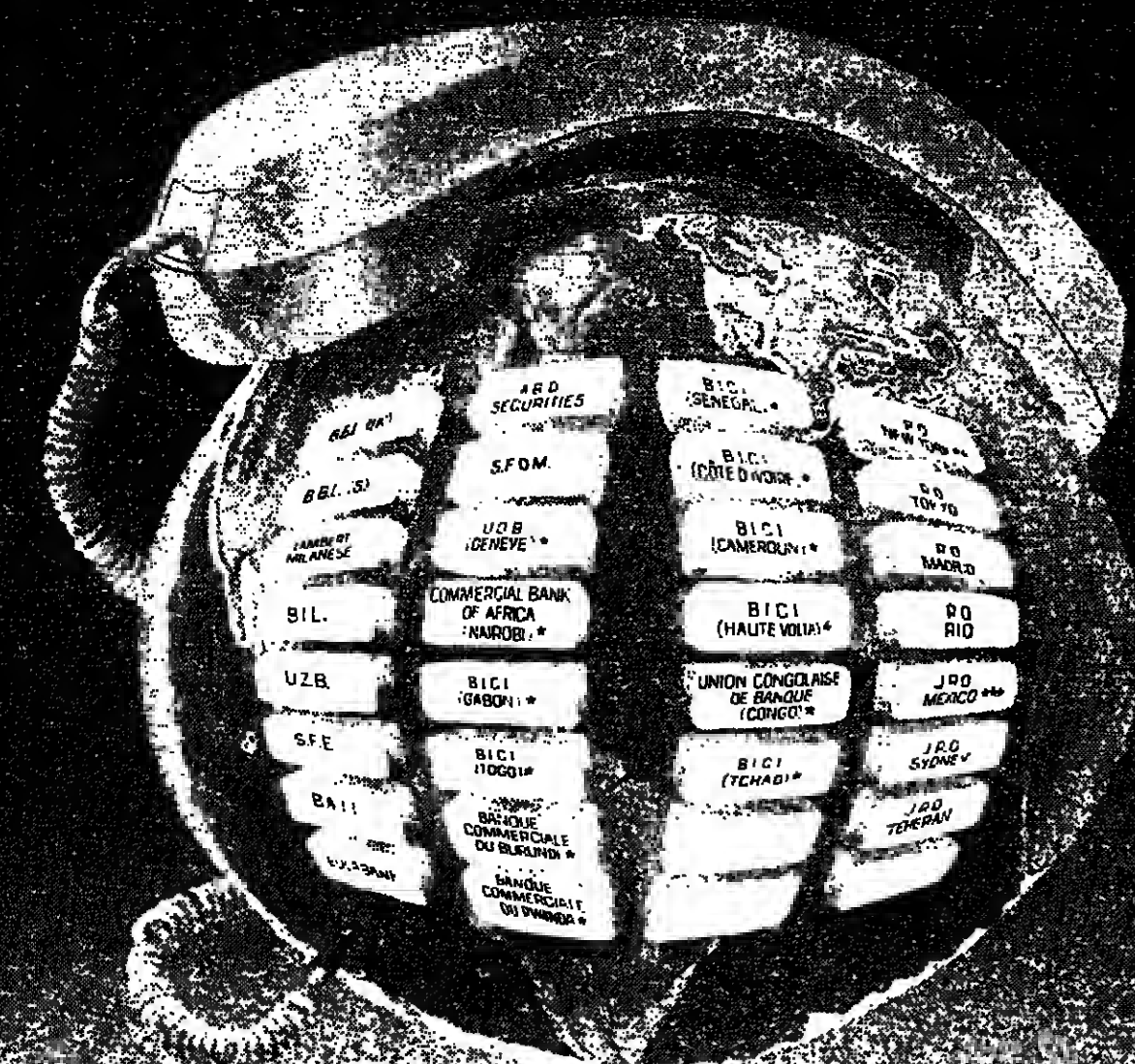
To be fair, this goes a little far even for the Flemish, whose enthusiasm for turning an honest penny does not usually extend to churches. But Rubens is Antwerp's most famous citizen so perhaps a few rules can be broken. To celebrate the event, the city arranged the biggest ever exhibition of his work, with paintings shown in from the Hermitage in Leningrad, from private collections in the U.S., and other equally diverse places.

Tourists have also been pouring in to the painter's house in the Rubensstraat, an enchanting two-storey building with high leaded windows, chess-board floors, heavy carved wooden chests and old Dutch tiles, built around a large cobbled courtyard and garden, and calling to mind the reflective calm of Vermeer and Pieter de Hooch rather than anything ever painted by Rubens. There is no escaping from the painter wherever you go—the city seems to have an endless supply of museums containing his work, and his self-portrait peers out from behind every lace tablecloth or pile of cream cakes in the more tourist-orientated shops.

Bruges is perhaps the loveliest of all, its canals, stone bridges and narrow cobbled streets vaguely reminiscent of Canterbury, but much cosier. Even the enormous Gruuthuse Museum appears scaled-down, possibly because of the tiny one-and-a-half by three-inch bricks used in the 15th-century. The English have been visiting it since 1471, when Edward IV was afforded asylum here. Like so many Flemish towns, Bruges has a large cobbled market place, a high-roofed Gothic town hall and a seemingly infinite supply of medieval churches, convents and houses. It is nicely better endowed than most, with works by Memling, Rogier van der Weyden, Jan van Eyck, Hieronymus Bosch — even Michelangelo — and many others. Back in the 15th century, Bruges was an important port and industrial centre but the silting up of the river linking it to the sea seems to have had the same effect as the lava that buried Pompeii—cut off in the first seven months of its life and left to itself, the old city year imports from Belgium rose in value by 45 per cent, while a

devotion to detail which is almost Japanese: freshly ground, served still filtering into the cup, ceremonially arranged on a small tray and usually accompanied by a tiny square of chocolate. The tea is awful.

The concentration of visits in weeks of the year that provide a summer, provide a congestion, over the long-term economic unoccupy the rooms. The Belgians are doing what's best to alleviate the first wave of visitors, by expanding the number of small family hotels, and facilities have developed in accommodate them. There is a wider range of hotels and restaurants here than inland. Most of the almost 100,000 tourists who spent brought in last year, was spent here, about 60 per cent, of it



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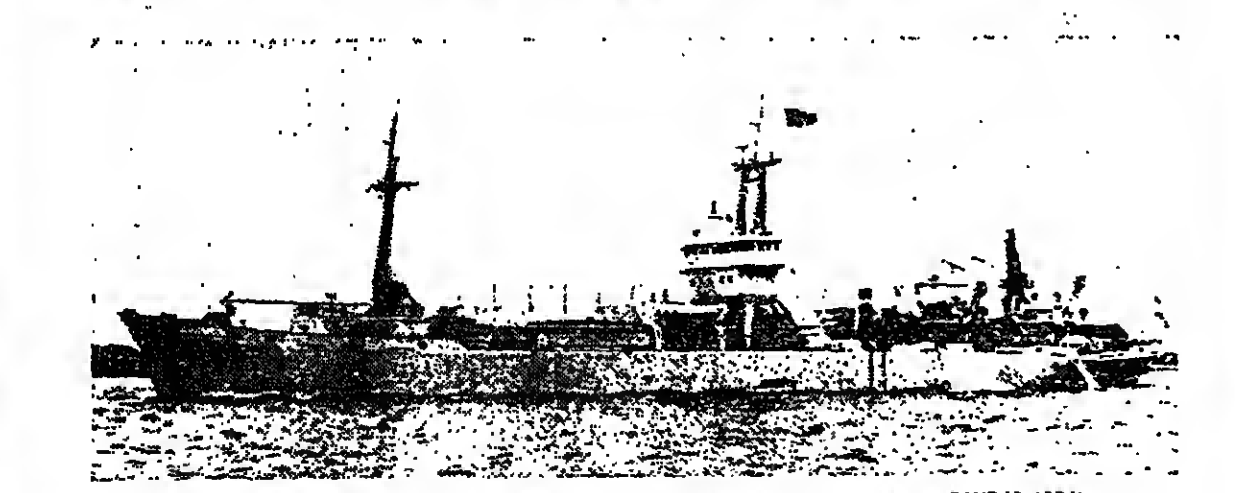
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## Long standing link with Britain

LINKS BETWEEN Flanders and Britain are close and go back a long way; commercially since the days when British merchants shipped wool to the low countries and took Flemish tapestries in return, culturally since Rubens graced the Court of Charles I, and militarily with the raising of the Grenadier Guards at Bruges in 1656 during the Royalist exile, though of course any number of different landmarks, dates and events could be chosen.

British tourists come in large numbers to Flemish cities or take a more machure trip to the World War I battlefields of Flanders. Many Britons come to work in Flanders in a variety of areas, ranging from the Antwerp diamond and shipping and insurance worlds to British footballers playing in Flemish clubs. Though this interchange has not always been a happy one, F.C. Mechelen has a British trainer (formerly of West Bromwich) and two British players, while the Antwerp and Ostend clubs have one each.

Trade between the U.K. and Flanders is impossible to quantify: even when the present devolution plans are carried out, foreign trade will remain the responsibility of the national government. But Flanders is the dominant region of Belgium, and Belgium as a whole ranks as the fifth largest customer for British exports, while Britain is Belgium's fourth largest market. Moreover, apart from Ireland, it is the only EEC country with which Britain has a trade surplus—about £100m. last year, with British exports totalling £1.4bn.

True, this happy state of affairs for Britain seems to have been mainly due to the low level of sterling last year, and that buried Pompeii—cut off in the first seven months of its life and left to itself, the old city year imports from Belgium rose in value by 45 per cent, while a

exports, increased by 88 per cent. It is also the case that the biggest single item (about 30 per cent of British exports to Belgium) are bound exclusively for Flanders, the diamonds sorted in London by De Beers and then shipped to Antwerp for polishing and cutting. With diamonds excluded from the calculation, the surplus to the U.K. in bilateral trade disappears. But it is also argued by some that if you subtract the value of cut diamonds sent back to London and petroleum products (again from Antwerp) that Belgium exports to the U.K. as low value added elements from the Belgium export ledger, then two way trade is roughly in balance.

Apart from diamonds and petroleum products, the sectors on which Anglo-Flemish trade centres are chemicals, non-ferrous metals (Metallurgie Hoboken Overpelt is one of Europe's refiners of these metals), and textile fibres and yarns (the textile industry is mainly centred on Ghent, though other centres are Courtrai and the Antwerp area). Transport equipment is a large item in British exports to Belgium, but most of this goes to British Leyland's car assembly plant at Senelle in Wallonia. But the Ford tractor plant in responsibility of the national government. But Flanders is the dominant region of Belgium, and Belgium as a whole ranks as the fifth largest customer for British exports, while Britain is Belgium's fourth largest market. Moreover, apart from Ireland, it is the only EEC country with which Britain has a trade surplus—about £100m. last year, with British exports totalling £1.4bn.

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attached and reports

MARKET

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# RUBBER AND DRAW MATERIALS

## 'Big three' close to sugar pact breakthrough

By Christopher Parkes  
DRASTIC measures taken on Tuesday to ease the pressure on the London cocoa futures market caused by a shortage of supplies failed to have any immediate effect yesterday.

Instead the price of cocoa for September delivery continued to climb yesterday, closing at £23.50 a tonne.

An increase in the deposits payable to the Clearing House on existing or new September holdings to £30,000 a 10-tonne lot of cocoa failed to make much impact.

One trader said he was not surprised by the lack of response. At present there was virtually no cocoa to be had so the spot positions in the market were bound to remain very strong.

The December price rose yesterday, but it was still £107.50 short of September's levels.

Delays in shipments from the Ivory Coast and to a lesser extent, Ghana, were blamed for much of the trouble in the market. But these problems were expected to be resolved shortly.

"The situation should become a little less acute once the September position is off the board," one trader said.

BY OUR OWN CORRESPONDENT

A BREAKTHROUGH at the international sugar negotiations appeared possible today, with a narrowing of differences between the major producers.

Mr. Ernest Jones-Parry, executive director of the International Sugar Organisation, continued his meetings with Australia, Brazil and Cuba in search of a compromise on basic export quotas.

Officials said the present conference represents the "last chance" to achieve an international agreement before the present arrangement expires at the end of the year.

"There won't be any time left for a free-for-all next year if we fail to reach an agreement," a South African delegate said.

Mr. Jones-Parry said he had determined to call the conference on Friday. Officials at the United Nations, which is providing the conference facilities, note that there will still be room available next year.

Most leading countries, in particular the U.S., feel that once the "big three" producers settle their differences, all other issues will quickly fall into place.

Basic export tonnages, or quotas, are at the root of the sugar manufacturers' union, said the Australian-Brazilian-Cuban group.

Original quota proposals gave Australia 2.4m. tonnes, Brazil 2.1m. tonnes and Cuba 2.5m. tonnes. That was reflected by Brazil's offer to sell an unchanged 2.4m. tonnes for Australia and 2.3m. tonnes for Cuba on the grounds that Cuba would return free to sell its limited quantities to socialist states.

Today, Mr. Jones-Parry put forward a new compromise proposal. The Australian quota was to stay at 2.4m. tonnes, Brazil would go up to 2.4m. tonnes, and Cuba would revert to 2.5m. tonnes but with restrictions on its quota-free exports to China.

Cuba and Brazil accepted, but Australia argued that the new proposals to all socialist countries other than the Comecon members must be limited also.

In Paris the French sugar manufacturers said France should abandon the idea of an international Sugar Agreement which has not been respected.

Mr. Guy Hallot, deputy director-general of the French sugar manufacturers' union, said that he had not been respected.

The Commission also cleared 47,000 tonnes of raw sugar for export with a maximum subsidy rebate of 20,900mu per 100 kilos (20.57%).

In London, the daily price for sugar was unchanged at £100 a tonne but the price for Brussels and slow progress in Geneva contributed to a further decline on the futures market.

The December position lost £1.45 a tonne closing at £108.175.

# Pressure persists on spot cocoa

By Christopher Parkes  
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GENEVA, Sept. 28.

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# GRAINS MARKET

## New talks on world wheat pact plan

BY JOHN EDWARDS, COMMODITIES EDITOR

TALKS AIMED at assessing the prospects for a new international Wheat Agreement started in London yesterday, attended by over 20 exporting and importing countries.

Main topic at the talks will be the proposals, worked out by the U.S. in co-operation with the other main wheat exporting countries, for an international agreement to stabilise prices, mainly by the use of reserve stocks, held nationally.

If these preparatory talks — due to last for 10 days — prove successful, the full meeting of the International Wheat Council in November will be asked to approve the calling of a negotiating conference next Spring.

The conference will decide the terms of a new Wheat Agreement to replace the existing pact that is due to expire on June 30, next year.

Meanwhile the latest market report from the Wheat Council yesterday, predicts that total world trade in wheat and wheat flour in 1977-78 will rise to between 66-69m. tonnes com-

pared with 61.3m. tonnes in 1976-77. The main reason for the rise is a predicted rise in imports by Communist bloc countries from 16.1m. to 19.3m. tonnes.

Nevertheless, despite the projected increase in trade, the Wheat Council expects total sales by the five main exporting countries to decline marginally to 58.2m. tonnes and closing stocks to be 58m. tonnes, 7 per cent above the high stocks held at the end of the 1976-77 season.

Detailing wheat export sources in 1977-78 the Council puts the U.S. as the main supplier with between 22-24m. tonnes; Canada at 13-14m.; Argentina 3m.; Soviet Union 5m.; and other 4m. tonnes.

The council estimates of world wheat production this year is unchanged at 390-400m. tonnes against 417.3m. in 1976-77.

In Brussels, the EEC Commission forecast the grain harvest in the Community will rise by over 13 per cent this year to 102.7m. tonnes compared with 90.5m. tonnes.

It said the relatively large harvest was due to above-average yields, but the overall quality was particularly high owing to sprouting and high moisture content.

The Community's wheat output is expected to match the same as last year's crop of 39.2m. tonnes. However, big increases are forecast for barley at over 38.5m. tonnes against 29.9m. last year. EEC maize production is also predicted to jump to over 14.5m. compared with 11.1m. tonnes last year.

The EEC estimates included forecasts of a record sugar beet crop of 71.3m. tonnes yielding a raw sugar equivalent of 1.1m. tonnes against 10.4m. previously.

Potato production in the Community is predicted at between 35-37m. tonnes, above 29m. tonnes last year, but in line with the five-year average of 35.8m. tonnes.

# Sharp fall in European apple crop

By Our Commodities Staff

BRITISH blackcurrant growers who sold their crops forward last winter for £325 a ton are being paid £700 a ton by the main fruit drink processors after one of the worst seasons on record.

The National Farmers' Union announced yesterday that following agreement between the growers and other drinks and jam makers, Beechams Foods, which increased its contract price by £100 a ton to £425 in July, was to make further payments of £275 a ton.

Beechams commented that the price of Ribena, its popular blackcurrant drink, was likely to increase during the next 12 months. It would not, however, go up by anything like the increase in the price of raw materials. No application for a price increase had yet been made, Beecham said.

The company had bought only 2,100 tons of currants from British growers — about a third of the usual intake. But the shortages this year would be made up from the heavy stocks of juice Beechams carries as an insurance against crop failure.

Stocks were said to be big enough to see the company through to the next blackcurrant harvest. But if there were a poor crop next year, the processors could find themselves in difficulties.

The shortage of blackcurrants stems from a disastrous frosty spell in the spring which killed the flowers before they had time to become established and start developing into fruit.

About three-quarters of the crop was ruined. Mr. R. Hillier, a Warwickshire grower, said the average yield in Britain this year was only half a ton an acre compared with an average of two tons.

Gooseberries and apples, too, were seriously affected, but most other fruits escaped the worst of the weather.

Mr. Hillier, who is chairman of the National Farmers' Union soft fruit committee, said yesterday that even with payments of £700 a ton, blackcurrant growers would lose money this year.

# Now blackcurrant prices soar

BY CHRISTOPHER PARKES

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# GO-SLOW CHOKES TEA WAREHOUSES

By Our Own Correspondent

CALCUTTA, Sept. 28. Nearly 2m. chests of tea are held up at Calcutta's 52 warehouses as the warehouse workers' go-slow enters its third week.

Arrivals of tea at the docks causing an acute storage problem and auctions may have to be suspended.

"Nobody is going to make a penny profit," he said. "But growers should be able to carry this sort of loss."

Some producers, however, had started grubbing up some of their tea bushes because of the high risks.

Britain is the main blackcurrant producer in the EEC, and the juice manufacturers have to look to Bulgaria and other East European countries if they need imports. These sources, however, were notoriously unreliable, Mr. Hillier said.

# Supply squeeze boosts tin

BY OUR COMMODITIES EDITOR

TIN PRICES rose sharply on the London Metal Exchange yesterday as the squeeze on supplies available to the market tightened.

Standard grade cash tin closed last night at £6,667.50 a tonne. The three months quotation was £107.50 higher, at £6,565 after trading at £6,600 earlier in the day when profit-taking sales were attracted.

The rise was encouraged by an unexpectedly small decline in the Peang market overnight, and a Reuters report from Washington that the U.S. Congress was unlikely to consider before next year proposals for stockpile tin to be contributed to the buffer stock of the International Tin Council.

As promised earlier this month draft legislation for a proposed U.S. contribution of 5,000 tonnes to the buffer stock has reached Congress.

But it is thought there will be sufficient opposition, and time-wasting, to ensure that it is unlikely to come up for approval until next year, since the present Congress session ends in three weeks.

The delay presumably means that any releases of tin from the U.S. stockpile, even if only for the Tin Council buffer stock, will not be made until well into next year.

Copper prices rose with cash wirebars closing £12 higher, at £691 a tonne. The rally was attributed to the firmer tone in gold and reports of some further small-scale buying by the Chinese.

It was reported from Washington that a delegation representing U.S. copper producers had received a sympathetic hearing from Administration officials, but no firm commitments.

Among the proposals put by the delegation to aid the depressed industry were the building up of a copper stockpile, as envisaged by the Ford Administration, and the imposition of import levies to stop cheap imports undermining domestic producers.

However, a decision to start rebuilding the copper stockpile is part of the overall policy review, which has still to be completed, and the Carter Administration has been reluctant to discriminate against imports from developing countries.

In Tokyo, however, Japan's Metallic Minerals Stockpiling Association plans to buy 100,000 tonnes of zinc and 20,000 tonnes of copper from nine Japanese smelters over the next six months, subject to government approval.

The present stockpile is 12,000 tonnes of zinc and 50,000 tonnes of copper.

The association, organised by the Japanese nonferrous metal industry, plans to start the new stockpiling operation next month.

It will buy 17,000 tonnes of zinc a month for five months and 15,000 in the sixth month, and 5,000 tonnes of copper a month for four months.

The new stockpile will be held for three years, unless zinc or copper prices rise sharply enough to permit sales.

The present stockpile is to be held until August 1979, under similar conditions.

# Pressure persists on spot cocoa

By Christopher Parkes

DRASTIC measures taken on Tuesday to ease the pressure on the London cocoa futures market caused by a shortage of supplies failed to have any immediate effect yesterday.

Instead the price of cocoa for September delivery continued to climb yesterday, closing at £23.50 a tonne.

An increase in the deposits payable to the Clearing House on existing or new September holdings to £30,000 a 10-tonne lot of cocoa failed to make much impact.

One trader said he was not surprised by the lack of response. At present there was virtually no cocoa to be had so the spot positions in the market were bound to remain very strong.

The December price rose yesterday, but it was still £107.50 short of September's levels.

Delays in shipments from the Ivory Coast and to a lesser extent, Ghana, were blamed for much of the trouble in the market. But these problems were expected to be resolved shortly.

"The situation should become a little less acute once the September position is off the board," one trader said.

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STOCK EXCHANGE REPORT

Partial rally in gilt-edged in another active trade
Uncertainty in equities with index shading 2.5 to 519.5

Account Dealing Dates
\*First Declara- Last Account
Dealings ions Dealings Day
Sep. 19 Sep. 29 Sep. 30 Oct. 11
Oct. 3 Oct. 13 Oct. 14 Oct. 25
Oct. 17 Oct. 27 Oct. 28 Nov. 6

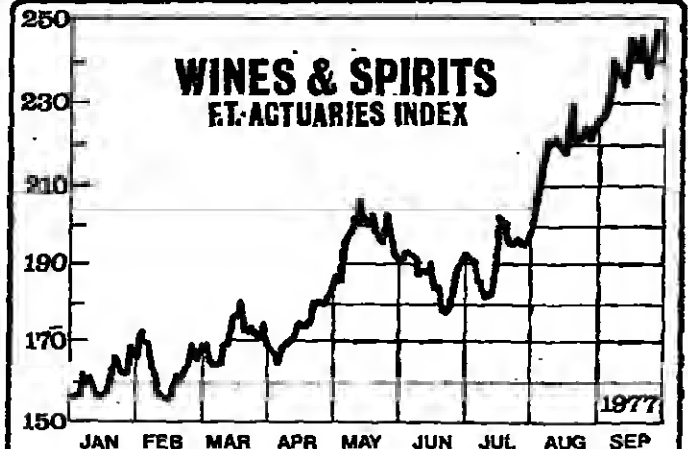
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FINANCIAL TIMES STOCK INDICES
Table with columns for various stock indices and their values.

HIGHS AND LOWS
Table showing high and low prices for various stocks.

ACTIVE STOCKS
Table listing active stocks with columns for Denominations, Closing price, and Change.

NEW HIGHS AND LOWS FOR 1977
Table listing new highs and lows for 1977.

RISES AND FALLS YESTERDAY
Table listing rises and falls from the previous day.

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National Management Game 1978
Sponsored by the Financial Times, The Institute of Chartered Accountants in England and Wales and International Computers Limited. Entry lists are now open for teams wishing to compete in the 1978 National Management Game - the annual championship which provides management training by simulating a boardroom environment in which team members work together to take management decisions - within a time limit and under the pressure of competition.

RECENT ISSUES
Table listing recent issues with columns for Name, Amount, and Date.

FT-ACTUARIES SHARE INDEX
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries. Table listing various equity groups and their share indices.

National Management Game 1978
Request for entry form
To the National Management Game Administrator, International Computers Ltd, Victoria House, Southampton Row, London WC1B 4EJ. Telephone: 01-242 7806. THE PRIZE £1000 and entry to the European Management Game finals in Sweden.

OPTIONS TRADED
Table listing options traded with columns for Name, Last Deal, and Price.

FIXED INTEREST PRICE INDICES
Table listing fixed interest price indices with columns for Name, Last Deal, and Price.



AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Main table listing various unit trusts and offshore funds with columns for fund names, managers, and performance metrics.

BASE LENDING RATES

Table listing base lending rates for various banks and financial institutions.

ERS AND LAGGARDS

Table listing market movers and laggards with their respective percentage changes.

INSURANCE, PROPERTY, BONDS

Table listing insurance, property, and bond products from various providers.

CLIVE INVESTMENTS LIMITED

Table listing Clive Investments Limited products and contact information.

INSURANCE BASE RATES

Table listing insurance base rates for different types of policies.



FT SHARE INFORMATION SERVICE

Manchester Business School Management Course "probably the finest short course in the world" THE FINANCIAL TIMES

AMERICANS—Continued

BUILDING INDUSTRY—Cont.

DRAPERY AND STORES—Cont.

ENGINEERING—Continued

INDUSTRIALS (Misc.)

BRITISH FUNDS

Shorts (Lives up to Five Years)

Table of British Funds with columns for Stock, Price, Div., and Yield.

Five to Fifteen Years

Table of British Funds (Five to Fifteen Years) with columns for Stock, Price, Div., and Yield.

Over Fifteen Years

Table of British Funds (Over Fifteen Years) with columns for Stock, Price, Div., and Yield.

Undated

Table of British Funds (Undated) with columns for Stock, Price, Div., and Yield.

INTERNATIONAL BANK

Table of International Bank with columns for Stock, Price, Div., and Yield.

CORPORATION LOANS

Table of Corporation Loans with columns for Stock, Price, Div., and Yield.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for Stock, Price, Div., and Yield.

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Table of Loans (Misc.) with columns for Stock, Price, Div., and Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Stock, Price, Div., and Yield.

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Table of American Stocks with columns for Stock, Price, Div., and Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Stock, Price, Div., and Yield.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Stock, Price, Div., and Yield.

AMERICANS

Table of American Stocks with columns for Stock, Price, Div., and Yield.

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Table of Building Industry, Timber and Roads with columns for Stock, Price, Div., and Yield.

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Table of Chemicals and Plastics with columns for Stock, Price, Div., and Yield.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV with columns for Stock, Price, Div., and Yield.

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Table of Drapery and Stores with columns for Stock, Price, Div., and Yield.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Stock, Price, Div., and Yield.

ENGINEERING

Table of Engineering with columns for Stock, Price, Div., and Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. with columns for Stock, Price, Div., and Yield.

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STOCKS—Continued

Table of stock prices and movements, including columns for Stock, Price, and various market indicators.

INSURANCE—Continued

Table of insurance company stock prices and movements.

PROPERTY—Continued

Table of property-related stock prices and movements.

TRUSTS—Continued

Table of trust-related stock prices and movements.

TRUSTS—Continued

Table of trust-related stock prices and movements.

NEW JAPAN SECURITIES Tokyo, Japan. London Branch Frankfurt Office Tel. 068 67819 Tel. 990226

MINES—Continued

Table of mine stock prices and movements.

AUSTRALIAN

Table of Australian stock prices and movements.

TINS

Table of tin stock prices and movements.

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Table of copper stock prices and movements.

MISCELLANEOUS

Table of miscellaneous stock prices and movements.

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Unless otherwise indicated, prices and net dividends are in pence and denominated in pence...

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Table of regional market stock prices and movements.

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Table of options prices and movements.

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Table of motor and aircraft trade stock prices.

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Table of component stock prices.

Garages and Distributors

Table of garage and distributor stock prices.

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Table of shipbuilders and repairers stock prices.

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Table of shipping stock prices.

SHOES AND LEATHER

Table of shoes and leather stock prices.

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Table of South African stock prices.

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Table of newspaper and publisher stock prices.

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Table of paper, printing, and advertising stock prices.

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Table of property stock prices.

TOBACCO

Table of tobacco stock prices.

TEXTILES

Table of textile stock prices.

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Table of tea stock prices.

MINES

Table of mine stock prices.

CENTRAL RAND

Table of Central Rand stock prices.

EASTERN RAND

Table of Eastern Rand stock prices.

FAR WEST RAND

Table of Far West Rand stock prices.

OILS

Table of oil stock prices.

OVERSEAS TRADERS

Table of overseas traders stock prices.

RUBBERS AND SISALS

Table of rubber and sisal stock prices.

INDIA AND BANGLADESH

Table of India and Bangladesh stock prices.

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Table of Sri Lanka stock prices.

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TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices.

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Table of investment trusts stock prices.

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Table of O.F.S. stock prices.

FINANCE

Table of finance stock prices.

FINANCE

Table of finance stock prices.

FINANCE, LAND, ETC.

Table of finance, land, etc. stock prices.

DIAMOND AND PLATINUM

Table of diamond and platinum stock prices.



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**INLAND REVENUE DECISION HAS SLOWED OIL FLOW—CLAIM**

**Divers quit over tax ruling**

BY KEVIN DONE and MICHAEL LAFFERTY

SOME 250 of the most experienced divers working in the North Sea have left the industry following the Inland Revenue's refusal to allow them self-employed status. Diving contractors are claiming that the Revenue decision taken without consultation about its consequences in the industry, is lowering safety standards on rigs and platforms and slowing down the flow of oil.

This was stated in London yesterday by the Association of Diving Contractors after fighting the Inland Revenue for most of this year over the issue, has virtually admitted defeat.

The only avenue the association still sees open for changes in the law or the successful completion of any test cases that are brought. Such moves could take years. The fight will now be taken up by the divers themselves.

**Merits**

Up to the end of the last tax year between 50 and 60 per cent of the 1,500 divers working in the North Sea were self-employed. But at the begin-

ning of the year some diving contractors were told by the Edinburgh Special Office of the Inland Revenue to deduct PAYE from all their divers. The Inland Revenue says it spent several months examining the matter before arriving at this decision.

Many of the claims of the diving contractors, including the extent of the alleged migration from the North Sea, are disputed by the Inland Revenue, which maintains that it is merely enforcing the tax law.

Not one of the cases put forward by the contractors could be accepted as qualifying for self-employed status, said a Revenue official. He claimed that far from adopting "a blanket approach to the whole industry" the Inland Revenue had considered each case on its merits. It was a matter of fact whether the divers were self-employed or not, and all the evidence indicated that they were not.

Although the diving contractors deny it, the Inland Revenue believes they are asking to be treated as a special case.

Contractors were put under "considerable pressure" and had to alter their but to comply, the association said yesterday. The Inland Revenue's action "was hasty and ill-considered" and the unequal treatment it had meted out to different companies had caused considerable problems in maintaining both personnel and contracts.

On the other hand, the Inland Revenue says it went in considerable effort to approach as many companies as possible at the same time. In only a few cases had there been any delay, it said.

The contractors argue that safety standards had been hit because experienced key personnel had tended to leave the industry for other jobs, or had gone abroad on overseas contracts.

**Calibre**

The efficiency and speed of installation and maintenance work was being affected because the divers' replacements were less experienced. Some diving companies have said they are finding it difficult to put together a saturation

diving teams of the calibre they need with. Others claim that the Inland Revenue's action has made British diving companies less competitive than their foreign counterparts and some are considering moving their operational base to another European country.

It is regretted by an industry which has also come under pressure from other branches of Government, namely the Department of Energy and the Offshore Supplies Office, to seek business overseas.

For the divers, the implementation of PAYE has hit earnings dramatically. Previously they could claim for expenses such as travel, telephone and equipment and could employ their wives as secretaries. Top divers could gross between £10,000 and £15,000 a year with little outlay in tax.

Their net income has now been cut substantially. Many divers claim that earnings have fallen by as much as 50 per cent.

Traditionally divers have operated as loners, shunning

industrial organisation and any ideas of unionisation. But they are now organising under the leadership of the North Sea Divers' Action Group to fight the PAYE issue.

**Ballot**

Mr Neil Henderson, a member of the organising committee, said yesterday that divers would be balloted next week about setting up a representative action committee. Funds of some £20,000 would be needed and a day's pay is being sought from each diver. A publicity campaign is planned to bring Parliamentary pressure to bear to challenge the Inland Revenue's action.

Mr Henderson said that North Sea operations could be brought to a complete halt in weeks if divers went on strike. But he ruled out industrial action. The divers approach would be based on reason, logic and argument.

If the campaign failed, divers would not strike. They would simply leave the British industry and take up opportunities overseas.

**THE LEX COLUMN**

**Behind Tootal U.K. profits growth**

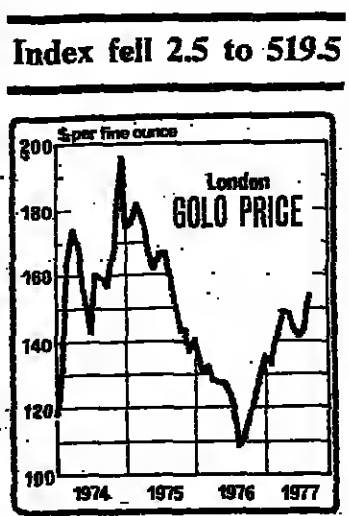
Tootal's U.K. profits look off in the latter part of 1976 and have bounced to move ahead sharply so far in 1977. Group profits for the half-year to July are up from £5.2m. to £8.5m. pre-tax, and within that the U.K. contribution is perhaps £3m. higher at roughly £5m. The main boost has come from exports, which have increased by 35 per cent and are now running at about a third of the group's total sales. Elsewhere domestic demand trailed back after a good first quarter, but Tootal's rationalisation in the past couple of years has reduced its exposure to the rough end of the textile cycle.

Thus external sales on the spinning side are now very small, and most of its weaving is bought in. Its main expansionary efforts have been to develop in areas closer to the consumer, such as apparel fabrics and clothing.

These products account for a substantial proportion of exports, which Tootal claims are not particularly price sensitive and are still moving ahead strongly. In addition, it says that there have been signs of an improvement in U.K. retail demand during the past few weeks (a view which was echoed yesterday by Combined English Stores).

The drawback is that the overseas businesses are still under pressure following a marked profits decline during the first half year. The U.S. threat business is sluggish, and Tootal is concerned about the outlook for its sizeable interests in Africa and Australia. But its "cautious view" of the outcome for the current six months still leaves room for a useful increase on the old profits peak reached as far back as 1973-74, with an overall rise for the year of perhaps a fifth to £21m. or a bit more.

With a fair chance of an improving home market, during 1978, the shares seem sensibly priced at 44½p, where the prospective yield of 9½ per cent should be at least twice covered.



any pressures. The danger for 1978 appears to be much more recession. It is hard to see the bullion price holding up in such circumstances, which would be much more favourable to bond markets. Presumably, though, there is a bedding motive behind much of the current demand for gold. Maybe governments will be panicked into abandoning monetary targets, and stepping up their spending programmes in the face of rising unemployment. Perhaps there will be competitive devaluation to grab a larger share of world trade. The gold price thrives on currency uncertainties, and there are plenty of those at present. But the relatively high rate of progress so far this year suggests that the bulls are in the majority, by a small margin.

**Bejam**

The autumn of last year, with the drought and soaring vegetable prices sending production to stock up with food, put a hump into Bejam's growth curve. The profit doubled in that year, while the second half showed a gain of 55 per cent. This has been less than most of the year's pre-tax profits growth, but the full year's turnover of £4.5m. pre-tax still shows Bejam's pre-tax profits growth at almost 70 per cent compared over five years.

Granted that last autumn and Christmas's sales were exceptional, however, they will in this year's figures look sluggish. Against a pre-tax increase of 82 per cent, with earnings per share up a half, year the growth could be more than a third.

The comparison on first hand may be particularly unfair since the reverse of last year's climatic influences apply—this is cheap and harvests good—Tesco is applying some of its to the freezer section. Few alarm bells are sounded even if Bejam at 147½p cat look cheap on p/e ratios of (fully taxed) and 9.3 (state).

So far margins have not fared this year and the trade area will again be increased around 18 per cent to nearly 500,000 square feet. Deep more rivals, the group reckons to get these new units into profitability in months, there is plenty of Britain, including Yorkshire, Lancashire, Scotland, where the trade habit is still in its infancy.

**Australia puts quota on Scotch**

By Ray Perman, Scottish Correspondent

THE WORST fears of the Scotch whisky industry over exports to Australia have been confirmed by the announcement by the Federal Government that import quotas have been imposed to protect home-produced spirits.

The order which applies retrospectively from the end of August and runs until February, limits imports to 40 per cent of sales for 1975-76. This will kill the growth in an important market for Scotch, which has expanded steadily in recent years, to more than 2.3m. proof gallons a year. An additional hurdle is a discriminatory duty of around 10 per cent on the standard bottle price of about \$48.50, which will apply to imported whiskies only.

The Scotch Whisky Association last night described the move as "blatant discrimination" and said it would protest through diplomatic channels. It would also consider a submission to the inquiry which the Australian Government is likely to set up to consider whether or not it should be made permanent.

The Australian Whisky and Gin Distillers' Association instigated the series of hearings resulting in the recommendation to the Government to limit whisky and brandy imports. British distillers made strong representations at the hearings against a quota system.

One of the British companies to be hit hardest will be Distillers, whose eight brands represent four-fifths of Scotch whisky imported into Australia. However, DCL's wholly-owned Australian subsidiary, United Distillers, supported the Australian Distillers' Association's request for protection.

Other companies to be affected include a new company, Glen Talla, which invested \$2,000,000 in a TV commercial featuring Peter Lawford, and the importers of Famous Grouse, whose campaign used Mr. John Gorton, the former Prime Minister.

**Senate still undecided on U.K. finance treaty**

BY JUREK MARTIN, U.S. EDITOR

THE SENATE Foreign Relations Committee was still locked behind closed doors this afternoon discussing whether to ratify or amend or otherwise postpone a decision on the draft Anglo-American double taxation agreement.

The committee deliberations were conducted amid much confusion on Capitol Hill, where a filibuster by President Carter's energy proposals was proving to be a major distraction. It was unclear when a resolution might be reached.

However, the hopes of the supporters of the double taxation treaty were given a sizeable boost this morning when it became known that Governor Jerry Brown of California had formally withdrawn his state's objection to the key provision in the

treaty which would free British companies from the obligations imposed by the unitary tax system employed by several states, notably California.

In his letter to the committee, Governor Brown said that more recent estimates of the tax income loss, that California would suffer if the unitary tax system were not used, had turned out to be sharply lower than the \$120m. a year previously calculated.

In addition, Governor Brown took note of the special plea that had been made to him by Mr. Michael Blumenthal, the U.S. Treasury Secretary. The Carter Administration, like that of President Ford before it, has argued strongly in Capitol Hill and elsewhere in favour of ratification of the treaty.

Mr. Blumenthal's approach to Governor Brown amounts to a strong lobbying effort.

Similar exertions have been made by the British Government. The most recent instance was the letter from Mr. Peter Jay, the Ambassador here, to Senator Sparkman, chairman of the committee, warning that the U.K. might find it necessary to renegotiate the whole agreement if the Senate changed any substantive part.

Nevertheless, it is acknowledged, even by British sources, that in spite of the pressures on the committee to finely balance on the question of ratification, not least because some members think constitutional issues concerning the right of states to tax are at stake.

WASHINGTON, Sept. 28.

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**Germany urges mild reflation for EEC**

By Jurek Martin and David Bell

WASHINGTON, Sept. 28.

HERR HANS APPEL, the German Finance Minister, said today that he thought other Western European countries would modestly stimulate their economies, preferably by cutting taxes to encourage internal demand.

He said he would not identify the countries he had in mind, but then, in the next breath, noted that Britain was likely to run a current account surplus larger than that of Germany to the second half of this year. He added that even Italy had shown a surplus on current accounts last month.

Europe, he said, was in a "happy situation" from a financial payments standpoint. However, he qualified this by asserting that the real problem was not payments but the inflationary risk of reflation.

For the most part, Herr Appel backed at an early morning press conference by Dr. Otmar Emminger of the Bundesbank — was more concerned with defending the German economy from a date and its recent stimulatory measures. He also came to the assistance of Japan, whose economic policies have been much denigrated in the course of the International Monetary Fund's annual meeting here.

"Economic success," he said of Japan and his own country, cannot be criticised, though it carries with it certain international responsibilities. It was unfair, he argued, to point fingers at two or three countries and to say they had been pursuing the wrong policies and should do more. It was just necessary to point to the failure of other nations to fight inflation, which had hampered the international adjustment process.

The latest German measures, he stressed, would result in 4.5 per cent real growth in 1978, up from the 3 to 4 per cent range for the current year. But such expansion, he went on, would have only a marginal effect on German unemployment; the inflation rate would be under 4 per cent this year, and could go down to 3.5 per cent in 1978.

Both Herr Appel and Dr. Emminger were at pains to describe what they considered to be the substantial international contribution that Germany was already making. Dr. Emminger cited the latest statistics showing that over the first 9 months of this year the foreign-exchange balance, comprising trade, invisibles, and capital movements, was in deficit by DM.1.5bn.

Herr Appel also appeared to recommend tax cuts as the best way of stimulating the economy. He said they had been used with good effect in Germany, and generally both boosted consumer demand and mitigated the wage-claims put in by the trade unions.

If any form of consensus can be said to have emerged during this week's meeting, it is that tax reductions, particularly insofar as they provide business with incentives and encourage consumer spending, represent a better approach than greater Government spending and the attendant larger public deficits.

Herr Appel also said he had been assured by Mr. Michael Blumenthal, the U.S. Secretary, that the Carter Administration was prepared to introduce further measures "if growth loses momentum." This appears to be somewhat at variance with the general impression of the U.S. economic message imparted this week.

**Minister talks of 'enormous benefits' of cash limits**

BY STUART ALEXANDER

THE GOVERNMENT'S cash limits on public sector spending were not a back door method of reducing expenditure, Mr. Michael Barnett, the Chief Secretary to the Treasury, emphasised yesterday.

Speaking at the joint conference of the local authority associations at Bournemouth, Mr. Barnett rounded criticism of the cash limits which were voiced at the TUC conference earlier this month.

He emphasised their importance as part of the Government's efforts to counteract past inflationary excesses, and the "enormous" benefits which had resulted in terms of international and domestic confidence.

Cash limits in the public sector, he said, were not a device for making cover cuts in public expenditure. "I would argue that it is not cash limits which cause cuts in public expenditure," he added. "It is the absence of cash limits which in the end makes cuts inevitable."

It was essential, Mr. Barnett insisted, that the Government should continue to operate the limits resolutely "if we are to avoid once again far more damaging and socially disruptive alternatives."

At present, confidence in the U.K. had improved substantially, he said, and the prospects were bright as North Sea oil flows provided "more stable financial

foundations than at any time since the war."

Industry would have a priority in any increase in local authority spending, Mr. Barnett said.

Central government could not opt out of its overriding interest in local spending, but local authorities were free to take their own decisions, he said.

Mr. Barnett said the Government would back local authorities in their pay negotiations to see the Chancellor's guidelines were adhered to.

Cash limits, however, were not an alternative to a pay policy nor were they being used to exercise a hidden and discriminatory incomes policy over public sector employees.

**Skateboard hall approval sought**

BROXTOWE Council in Nottinghamshire has been asked to approve an application to turn a bingo hall at Beeston into one of Britain's first indoor skateboards and sure centres at a cost of £120,000.

**U.S. dock strike closer**

BY JOHN WYLES

PROTRACTED negotiations on the long-haul contract for the U.S. East Coast and Gulf ports broke down last night, bringing the threat of strike action which could paralyse container shipping services into the ports from midnight to-morrow.

The International Longshoremen's Association and the Coastwise Shipping Associations are to meet again in New York today in what may be the last attempt to break the deadlock.

Instead of calling an all-out strike, which has been its traditional tactic in nearly every round of contract negotiations since the end of the 1950-56 war, the Longshoremen's Association is almost certain this time to insist selective strikes directed at container operations at East Coast and Gulf Ports.

This would highlight the central sticking point involving the union's demand for jobs to be lost selectively against cuts made possible by container traffic.

Most of the East Coast ports have local guaranteed annual income agreements which, in effect, protect earnings in varying degrees and maintain the dock labour forces at an artificially high level.

Thus in New York, where pay-

ments are the most generous, 12,000 Longshoremen's Association members were guaranteed an annual minimum of \$16,640 (£9,750) last year although no more than 7,500 jobs a day were available.

Although only six ports are directly represented at the negotiations—New York, Baltimore, Boston, Philadelphia, Hampton Roads and Providence—the agreement is broadly followed by all the other major East Coast ports from Maine to Texas and any selective action by the union would be onerous.

Ian Harreaves writes: Dart, Furness Withy, Cunard, Atlantic Container Line and Hapag-Lloyd will be among the operators worst affected by any East Coast seaboard strike.

Most of their North Atlantic ships call first at Halifax, Nova Scotia, and then make their way down the coast. There is no doubt that, as in the last longshoremen's strike in 1971, some traffic would find its way through Canadian ports into the U.S., but these ports are unlikely to be able to take the strain of much extra traffic.

NEW YORK, Sept. 28.

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**Weather**

**U.K. TO-DAY**

MAINLY dry and cloudy with some outbreaks of drizzle. London, S.E. and C. S. England, E. Anglia, E. Midlands, C. Islands. Mainly dry with sunny periods. Wind W. light. Max. 18C (64F). W. Midlands, S.W. England, S. Wales.

Mostly dry. Becoming rather cloudy. Wind W. moderate. Max. 18C (64F). E., C. N. and N.E. England, Borders.

Dry at first, rain at times later. Wind West, strong. Max. 16C (61F).

N. Wales, N.W. England, Lake District, Isle of Man, S.W. Scotland, N. Ireland.

Rather cloudy, rain or drizzle at times. Wind W. strong. Max. 18C (64F). Edinburgh and Dundee.

Dry at first, rain spreading from west later. Wind W. strong. Max. 15C (59F). Glasgow, F. Highlands, Moray.

Firth, N. Scotland, Argyll.

Cloudy, rain becoming more persistent. Wind W., strong to gale near coasts and hills. Max. 15C (59F).

Orkney, Shetland.

Cloudy, rain at times. Wind W. strong to gale. Max. 13C (55F).

Outlook: Changeable with rain at times in most places, but also sunny intervals.

**HOLIDAY RESORTS**

Y-day	Mid-day	W-day	Max	Min
Amsterdam	11	16	16	10
Athens	11	16	16	10
Batavia	11	16	16	10
Barcelona	11	16	16	10
Bombay	11	16	16	10
Buenos Aires	11	16	16	10
Calcutta	11	16	16	10
Cairo	11	16	16	10
Cardiff	11	16	16	10
Colon	11	16	16	10
Copenhagen	11	16	16	10
Dublin	11	16	16	10
Hamburg	11	16	16	10
Helsinki	11	16	16	10
London	11	16	16	10
Lyons	11	16	16	10
Manila	11	16	16	10
Medan	11	16	16	10
Osaka	11	16	16	10
Paris	11	16	16	10
Rangoon	11	16	16	10
San Francisco	11	16	16	10
Singapore	11	16	16	10
Tokyo	11	16	16	10
Yokohama	11	16	16	10

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